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ABSTRACT

This proceedings of the annual meeting of the National Association of State University and Land-Grant Colleges (NASULCC) presents the discussion, business meetings, lectures, and speeches along with the organization's financial statements for December 31, 1992 and 1991. Included here are remarks by Joseph D. Duffey (Director, U.S. Information Agency) at the general session; remarks of Richard W. Riley, U.S. Secretary of Education; a brief report on the assembly; a list of elected heads of the association; list of member institutions in 1993; and copy of the by-laws. Individual presentations included in the proceedings are: "Foreign Policy and Preventive Diplomacy: Redefining U.S. Development Assistance after the Cold War" (Clifton R. Wharton, Jr., former U.S. Deputy Secretary of State) on the new world order, foreign aid, universities' role: and the redefinition of national security; George Latimer of the Department of Housing and Urban Development (HUD) on the mission of HUD and its compatibility with the NASULGC mission; the 1993 William Henry Hatch Memorial Lecture, "The Marriage of Health and Agriculture," by Kenneth J. Carpenter on the role of agricultural research at state institutions in the health of the nation beginning since 1887; and Richard Rominger, U.S. Deputy Secretary of the Department of Agriculture, on reorganization in his department. Appended are a list of elected heads and the by-laws of the association. (JB)

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Proceedings

of the

106th Annual Meeting

The National Association of State Universities and Land-Grant Colleges

November 11-13, 1993

Washington, DC

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Table of Contents

General Session:
Remarks by Joseph D. Duffey,
Director, U.S. Information Agency 1

Council of Presidents Luncheon:
Remarks by The Honorable Richard W. Riley,
U.S. Secretary of Education 13

The Assembly 22

Treasurer's Report 23

Joint Session: Commission on International Affairs and the Commission on Food, Environment and Renewable Resources:
Remarks by Clifton R. Wharton, Jr.,
Former Deputy Secretary of State 30

Commission on the Urban Agenda:
Remarks by George Latimer,
U.S. Department of Housing and
Urban Development 42

William Henry Hatch Memorial Lecture:
Remarks by Kenneth J. Carpenter,
University of California, Berkeley 51

Council for Agriculture, Research, Extension and Training (CARET):
Remarks by Richard Rominger, Deputy Secretary,
U.S. Department of Agriculture 58

Elected Heads of the Association 65

Member Institutions, 1993 69

Bylaws 75

General Session

An Address by

Joseph D. Duffey
Director, United States Information Agency

As Pat and I drove over here this afternoon, she asked me with a twinkle in her eye if I ever got nostalgic for NASULGC. It's a little like a class reunion coming back today. I want to begin by expressing my sense of honor at this invitation and also by expressing my great admiration and respect for Clif Wharton, who will be with you later this evening. Almost every day since the 26th of June at 9 o'clock in the morning I have met with Clif Wharton in a small group at the State Department. He has chaired many of those meetings in the absence of the Secretary. He has served this country extraordinarily with great distinction and excellence, and he deserves our gratitude.

Washington is a strange place. Some of you remember the novelist Allen Nevins who once said the following of Washington. Nevins in his own time was speaking with the gender reference that we would modify today, but he said Washington is a city where good men do evil, and evil men do good in a way that is so complexing that only Americans understand it, and they're confused half the time. I don't think Allen Nevins was speaking of One Dupont Circle.

I may take some different tacts in these remarks today than were expected, but I want to try to make some observations about the role of the United States in the world, which sometimes we refer to as foreign policy because I think we can arrive at some perceptions about the tasks and the responsibilities of those who lead America's colleges and universities at the end of the twentieth century if we begin with that theme. But there's another reason for beginning at that point. It's evident from the debates and the frustrations of the last several weeks that the question of what the role of the United States should be today among the wider community of nations is a matter of concern and puzzlement to many Americans and perhaps to some of their leaders. This is clearly one of the major intellectual,

moral, and policy questions that face our nation today. And it's easy to understand why this should be the case. We have seen the end of an era -- the Cold War -- a way of thinking that helped to define our sense of duties and responsibilities as a nation and set our national agenda for more than four decades.

Just this week a Times-Mirror poll looked at attitudes of American leaders in the fields of education, business, and government. The poll was done within the last three weeks. The study concluded, in the words of the report, that most of those surveyed "are dubious about whether many of the ideals that have guided the foreign policy of the United States for half a century can do so today." But the report continued, "yet even as they complain about America's lack of direction and coherence, they are themselves uncertain about what America's place in the new world should be."

Without the clarity of a new set of assumptions about our role in the world what are we to do? How are we to behave in the world of foreign affairs? As a nation we are rightly preoccupied now with our domestic problems. They should be of major concern. There is the plight of millions of children here in our own country -- and not all of them from families of poverty. There is the sense that many of our schools are failing. There is a loss of credibility in leadership in many institutions even beyond government. There is a rising crime rate in many of the cities that matches cities in parts of the globe we used to call the Third World. There is a menacing national debt that grows exponentially -- that got out of control when we raised the stakes for the arms race during the 1980's, perhaps hastening an end to the Cold War -- but that today grows even as we try to restrain spending at a rate of about a trillion dollars during each four year cycle of the federal government. The slowdown of economic growth that seems to be a chronic condition of advanced industrial nations and not just a short-term phenomenon, which has left underemployed already millions of Americans, is also an issue of great concern.

How do we return to the kind of growth we need to sustain both the government, the aspirations, and the institutions to which we have grown accustom? President Clinton has rightly said that the renewal of our own economy and our society is in fact a first priority in setting

our course in the international arena. At the same time we have been facing disappointments and questions about our goals overseas and the means to achieve them in the cases of Somalia and Haiti, not to mention the anguish of watching the death of a modern civilization in what used to be the nation of Yugoslavia.

So I begin now with two texts from the writings of the former editor of the *Journal of Foreign Affairs*, James Chase, who has been teaching recently at Bard College. First the following: Chase writes, "For sometime Americans have come to have a double image of themselves, both as powerful and inadequate. And yet the characterization is more than an image; it is true. Powerful beyond the measure of any nation in history, America is also becoming more ordinary, subject to unaccustom restraints. How can we reconcile these two truths with each other and with the need to act effectively in the world in accordance with our means?"

Those words were not written last month. They were not written this year. They were written in 1981, nearly a decade after the end of our excursions into Vietnam. In essence, Chase was writing in a very pressured way 13 years ago about the conditions that were to become more evident as the decade of the 1980's progressed.

Last year Mr. Chase wrote again about American foreign policy at the end of the Cold War, and my second text is from that book. He wrote, "The United States finds itself today without the rationale for the mission and the justification for the mission that defined it as a nation for four decades. The question before us now then is, 'What should the United States do?' and of equal importance, 'What should the United States be?'"

In the most recent comment Chase has added, "If we are to define national security and national power today, we must define them in terms of a triad of military capabi!ity, economic power and social cohesion. That is, in the last case, a clear national consensus about such questions as our priorities, taxation, and investment in the future."

If you think about that formula, which makes a lot of sense, it is in military power that we have the greatest confidence. In economic power we are beginning to question and certainly have an agenda in terms of returning to growth and strength. And in social cohesion that we are most concerned. In large part, what Chase calls social cohesion comes from a common agreement in this society about our aspirations and our goals as a nation. I trust now that there are few of us who underestimate the significance of the end of the Cold War and the intellectual confusion that it has left. The sudden change brought about by the events of 1989, '90, and '91 have literally brought an end to an era that shaped intellectual life, social priorities, and personal understanding for 45 years, since shortly after the close of World War II. We have lived to see this change, to experience the vertigo which follows in a time between times -- the beginning of an era without definition yet to be named or given a meaning.

Senator David Boren has made an interesting remark. He said, "I don't think anyone ever came down to breakfast and said to his or her mate, 'Isn't it interesting that we're living through the end of the middle ages?'" And yet, you and I have seen the decisive shift of the end of an era.

Richard Cohen, a columnist for *The Washington Post*, wrote of how much we miss that era. "The Cold War," he said, "was something of a secular religion. It endowed the American presidency with a life and death aura. The end of the Cold War means that those of us, and I'm not just referring to journalists, who cared about the news, who argued that it was important and urgent, have lost a piece of our argument. We've lost something of a value system, and we now wander the pages of the newspaper lost a bit about what it means."

"When the Soviet Union collapsed," Cohen continued, "we Americans lost more than an enemy, we lost a collaborator in the search for meaning."

In recent years, I have become fond of a Greek poet named Kobaffi who died in the 1940's, who wrote a poem entitled "Expecting the Barbarians." It is about a small village in Greece. Each stanza, as the poem builds, describes the call to mobilization of the community.

People are called into the town square. They put on the appropriate garbs and costumes for battle. They assemble themselves, and then the barbarians don't come so they return home. The last verse goes like this: "Because night is here but the barbarians have not come. Some people arrived from the frontiers and they said there were no longer any barbarians. And now what shall come of us without any barbarians?" Those people were a kind of solution.

The end of four decades of the Cold War and the polarities of thought and sensibility of that era, of east-west conflict, has left widespread confusion and puzzlement among many of the world's leaders. How shall we define patriotism, or national mission, or incentive without the stimulus of a perceived common enemy? Does human nature permit us to do that? How shall we find the basis for strenuous common action without the perception of an external threat? This is a challenge to age-old predilections which have for so long constituted the basis of calls for sacrifice, patriotism, and a vibrant sense of national community.

For 45 years, the Cold War was the unifying theme and the galvanizing force for much good that was achieved in this society. Stop and think about it. The highway system under President Eisenhower was perhaps the institution of the twentieth century which changed more than anything else the habits, ways, and development of American society. The planning necessary for that system was justified by security. How many times, for those of you in this room who experienced the Civil Rights movement, was the argument made at the end of the line that we must take these steps because we are involved in a great international ideological struggle, and living up to our ideals was extremely important in that conflict. How many of us in this room and how many of a generation of teachers who made possible this very significant breakthrough in American higher education received their education under grants called National Defense Education grants? How much of the progress in terms of integration and progressive legislation and the example made in the military was justified on the basis of this great titanic struggle of the Cold War?

The question today is whether we can find a new definition. A new incentive sensing threats internal. A new set of motivations that will have the power to unite and move us in this kind of heroic action appropriate to a new time. And the question is what are the actions appropriate to a new time. This is a time of enormously hopeful change in the world. Across the globe in old nations and new there is a movement toward democracy and democratic institutions. This is accompanied by a recognition that open markets and free economies best serve the goals of economic growth and progress. In recent years we have seen the collapse of closed and repressive regimes in eastern Europe and the former Soviet Union, the beginnings of a movement toward democratic and representative government in South Africa, and the recognition of the possibility of mutual respect and accord in the Middle East. So the scene is one of new hope for peace and progress in many regions of the world and a reminder of the destructiveness of hate, resentment and intolerance when those sentiments are unchecked by human restraint and institutions that foster civility.

I am in no position today to offer a grand vision about the future of American foreign policy, and you would be right to be suspicious if I would do. Indeed, I think we should be a bit wary for a while of big, grand ideas. Ethnic cleansing is a great, grand idea. There is another one that suggests that it is inevitable that we have a clash of religions and civilizations. I wouldn't put them both in the same category at all. I'm just suggesting I would just hold back a bit and enjoy and make best use of this space. I think we should be wary of grand ideas that offer schemes to organize history in a simplistic way. We do not have the luxury or the clarity for that kind of intellectual world now, and that is to the good, though it makes life far more strenuous and anxious in a way where it forces us back to self examination.

I cannot offer you a grand scheme or vision today that will suggest a blueprint for American foreign policy, and frankly that's not the role of the United States Information Agency. The role of the U.S. Information Agency at such a time as this, however, is complex and many of you know and work with us on that. We try to provide for policy makers in Washington and in our embassies around the world clear understandings of the attitudes and values of foreign publics by

analysis of the press and public opinion. We do this because such information is an important element, not because it should guide our foreign policy, not because we always seek to respond to or even to shape foreign opinions, but because in the words of one of our founding fathers expressed in the Declaration of Independence, this nation has always sought to express a decent respect for the opinions of mankind.

Further, the USIA seeks to provide information overseas about American life and American values and current information about our nation's policies and goals that they may be more accurately understood.

Finally, the USIA in collaboration with many institutions, including many in this association, seeks to further international understanding, two-way communication, on the basis of contact, study, research, collaboration between peoples and institutions using the Fulbright program, various exchange programs and other projects to increase contact and understanding. Those efforts continue. As an agency we are at work reexamining and restating our mission, and I know that the draft papers on some of this have been shared with many of you who we count among our collaborators and partners. We are looking closely at organizational forms appropriate to that mission in the new world situation. And, as every agency of the government must, we are working to reduce our expenditures in a way that helps trim the federal deficit. For this economy is now beginning some recovery, but not in small measure based upon the perception that we are beginning to get control of this deficit which can do so much damage now and in the future.

But rather than talk about those institutional matters, which I will have plenty of opportunity, I know, to talk about with many of you and which we will continue to discuss as we try to meet our responsibilities, I want to offer a few guidelines on the question with which I began, which I think touches all of this about the future of American foreign policy. The era of crusades has come to an end, including crusades for our form of economic and political order. That does not mean that we cannot or will not seek to extend our way of life and our institutions where they are appealing to others to expand

the spheres of democratic and open-market economies, but it does mean that the presumptions are not the same as they once were. The collapse of the Soviet empire is a victory of freedom that is practical, not ideological.

I think that Anthony Lake, the director of the National Security Council, put this very well a few weeks ago with these words: "Billions of people on every continent are simply concluding based on decades of their own hard-won experience that democracy and markets are the most productive and liberating ways to organize their lives. That conclusion resonates with America's core values. We see individuals as equally creative with a God-given right to life, liberty, and the pursuit of happiness so we trust in the equal wisdom of free individuals to protect those rights through democracy as a process for best meeting shared needs in the face of competing desires and through markets as a process for best meeting private needs in a way that expands opportunities. Both processes strengthen each other. Democracy alone can produce justice but not the material goods necessary for individuals to thrive. Markets alone can expand wealth but not with the sense of justice without which societies perish."

Second, America today can best argue the case for our way of life by example and, indeed, now we need to make that our first priority -- to set forth an example of an advanced society that is capable of enlightened self-governance. We don't have a final history of the Cold War, and it will be some years and we'll have much revision of what actually went on, but I will venture the judgment that all through that titanic struggle it was the example that was far more compelling and powerful than anything else. And though we may not have realized it at the time, it was our greatest strength.

I take this to mean now that we have to work to reinvent our institutions in this country, that we need to look again at the professions and how they are practiced and what the core of understanding of how they are practiced is here at home, rather than basking in past achievements or simply pointing to ourselves as exemplars of the highest achievements of humankind. For frankly, that will not do in a post-Cold War world.

We need freely to acknowledge that this is a society still in formation. Indeed, that is the nature of human history. The struggle goes on, and the challenge is renewed in every generation. This requires effort by all of us every day to revive our institutions and our professions and to dampen the growing cynicism about institutions in authority here in our own society. No challenge, I think, is perhaps greater than that we each try to begin on a personal basis.

I have thought more and more, both at the university and now in this new situation, about American life and that perhaps nothing is more important than what appears to be a movement afoot to redefine the duties of citizenship and the substance of responsibility led by many of our students and the efforts of many individuals who have sensed the compelling reason why we have to begin with ourselves as we ask what we can do to meet the new age. Mary Katherine Bates in the Anthropologist has written of the act of creation that engages us all, the composition of our own lives and work.

I became persuaded at the universities that I served, and perhaps you have had this observation, that so much more is taught by example, by the way faculty and students do their work, that it either undercuts or occasionally sustains what we are trying to do and say in the classroom. We are not going to experience any great religious revival in this secular nation or have another great enlightenment as in the 18th century, but we will sense, it seems to me if we are successful, the need to begin with ourselves, with our own careers and professions. It may be that we need now for university administrators, and faculty, and journalists, and others to come together and draw up again a common sense of what we expect of each other -- of what we expect of the profession -- because this is a very important part of where this task now begins and continues.

McCloth Havel has written of the requirements for leadership in the new age in a way that I find compelling. "A leader," he says, "must become a person again. It is not that we should simply seek new and better ways of managing society, the economy, and the world, the point is that we ourselves should fundamentally change how we behave, our attitudes toward the world."

Gloria Steinem put it another way in her book a couple of years ago when she wrote, "Self authority is the single most radical idea there is."

Fourth, and finally, I think we need to forge an understanding of the obligations and opportunities of a new American internationalism. And that is only going to happen, it seems to me, in a solid way in colleges, and universities, and schools in America. It is the fundamental task of education as much as many others may talk about it. Some argue that the end of the Cold War and the need for strenuous effort to restore health to our domestic economy calls for withdrawal now from engagement with the responsibilities of international leadership. They argue our problems are presently so urgent at home that we must step back from the role of active international concern and leadership. Those who argue this case are under the spell of the illusion that a nation with the wealth and power of the United States can step back from engagement with the complexities of international security and trade questions. That is not an option.

There are new threats to our security today. With other nations we must manage the movements of peoples across national borders. Often these are refugees fleeing from oppression and terror. More often, they are men and women seeking basic economic opportunities missing in their homelands. They cross national borders on every continent. They create problems of instability and threats to peace and order.

The environmental issues of our time are progressively becoming matters of international concern. Pollution of the atmosphere and water know no national boundaries and interconnect our destiny with that of other nations in ways that we are only now beginning to sense. Our economy is progressively more, not less, interdependent with other nations with which we have this interdependence.

International terrorism is still a threat that calls for collaborative action among nations. More and more there is an awareness that the future of our economies, to get to the most basic point, a return to economic growth for advanced nations will not come unless we find

a greater convergence of goals and mutual collaboration, unless we find a larger world system of open markets and collaborative trade. This is why the transformations underway in Russia and the new independent states in eastern Europe are really essential for our security -- extremely important to the future of our economy.

The events recently in Moscow remind us that the path to a democratic state is not easy. Transformation from a centrally controlled society to an open market economy, from dictatorship to democracy, from history's largest empire to partnership with former elements of that empire will evolve over years and may have many setbacks. But the path and the direction are set. The United States must be dedicated to supporting the reformers in Russia and the new independent states who are trying to make those changes. We base our policy on the certainty that post-Communist reform is a long-term proposition that will require us to be patient and steadfast. But we believe our future security and theirs are linked in the endeavor to nurture democratic institutions and open-market economies.

When it comes down to it, the people of these new lands will have to bear the burden of transforming their own systems. Many have made significant strides politically. Economically they have further to go. But they will suffer or they will triumph based largely on their own good sense, their good will, and energy. But we have a historic opportunity to join them, and I find many Americans finding some new idealism in these efforts. And we are, of course, seeing as important a debate taking place in our society about engaging the future and expanding our economy in the debate about NAFTA. It is an important and genuine debate as we have seen in recent years.

Forty years ago last August, President Eisenhower signed the legislation creating the USIA. The theme of all those years has been telling America's story to the world, under enormous pressure and often playing catch up in the ideological warfare of the Cold War. Today, America's story is, as I've tried to suggest, somewhat different. We must be very careful that we not confuse it in the first flush of the victory or end of the Cold War.

There was, I think, much confusion. I've been reading recently some of the things that happened in 1990. Do you remember that full page ad that appeared in *The New York Times* after the coming down of the wall? It was entitled "Exporting the American Dream," which could have been a theme of USIA. It read as follows: "On November 29, Hungarians came one step further to something they have been fighting for since 1956 -- freedom. Not just political freedom, but freedom of the press. And the first American consumer magazine published in Hungary was the magazine that led a social revolution in America by standing for personal, political, and economic freedom. That's the power of *Playboy*."

We have to realize that what we have touted for so long as the culture of America is now a great global culture of modernity, and we have led the way. But it is now emerging across the world. And there are those who have questions about whether they want that as a way of life. That's the genuine part of some of the Muslim and Confucianism or the origins of some of the resistance for questioning. And that should go on here a bit, too, because some of our traditional values are challenged or perhaps in conflict with modernity. American culture has all the promise and perils of this culture of modernity in which things multiply but lose their meaning, in which data sometimes becomes a substitute for meaning, and the means of transmission a distraction. In the midst of this kind of emerging global culture, we must engage in the name of values that have been central to this country in a kind of discretion as we shape and write the next chapter in the future of the American nation.

If I recall at the end of the last Cold War novel of John Le Clere, George Smiley, the veteran spy, was lecturing to a group of young novitiates, aspiring MI-5 agents, and in reflecting on his life, he said at one point, "I came to the conviction that it was my lot in life to bring to an end the era in which I was born." And somehow, I think, for us in a way that requires great discretion and care but for which our institutions are more central than any others in this country. It is our mission in life to bring to birth a culture yet to be in a new time. Thank you.

Council of Presidents Luncheon

An Address by

The Honorable Richard W. Riley
U.S. Secretary of Education

It is a great pleasure for me to join this distinguished group representing distinguished institutions of higher education. I've been in Washington for about a year now. The President called me up about a year ago and asked me to participate in the transition involvement. I, as many of you know, was the person charged with sub-cabinet positions. There are lots of them, and lots of people were interested in them. I would get something like 500 calls a day before lunch and more than 3,000 resumes a day. That really aged me in about a month. Someone told me shortly after I got into all of this tangle here in Washington, "Dick, there's a saying around here that if you want a friend in Washington, buy yourself a dog." It really wasn't that bad.

Then I met Peter and Jim and people around who I found to be very civil, and it has been a grand experience as I've moved on into education. I have tried to get into these acronyms, which is something that baffles me. This group in particular baffles me. I've pronounced it a lot of ways -- NASAL-GIC or whatever -- which sounds like an allergy spray of some kind.

But it's a pleasure to be with you and to talk with you about some of our thinking from the Administration about, as Peter says, our common goal of equity and excellence in higher education and our shared belief that education is essential to creating those qualities that are really elemental to a civilized society.

President Clinton is a person who really does believe in change, whether the issue is health care or free trade through NAFTA, or how we educate and prepare our workforce. We have a President who sees as his great duty this task of doing every possible thing to prepare this country for coming and changing times for our future. Now this is

never easy. It's easy to talk about, but it's not easy, as you know. As someone who has been in politics much of my lifetime, I know the inertia of politics, the sheer desire to hold on to what was and what we know. Those are always powerful forces. The American people, I tell you, though, are in no mood to stand pat. They want change. They want some new accountabilities from public services. They have a real sense that this society must have certain standards.

So I've come here to talk to you about two levels. First, I want to talk about our immediate effort to streamline and restore integrity to our troubled financial aid system -- to create a direct lending program that works, to rebuild the Pell Grant program, to make the President's commitment to national service a reality for many of your students. And secondly, I want to talk candidly with you as a seasoned political observer and as a friend of yours and of education about the new restive and impatient public mood that's now sweeping this country, and how this new public mood of accountability will affect your work and will certainly affect all of our efforts and reform the K through 12 level. I also want to suggest that the push for standards at the K through 12 level will redefine who you teach and how you teach. Ultimately our efforts to create a high standard education system at the K through 12 level will put the spotlight of reform on you. So now is the time to step up on your own initiative, your engagement, and your prioritizing of those issues of standards and accountability in our post-secondary education institutions.

I realize that I am talking to people who have their minds on standards all the time and who have always been into accountability, but I tell you there's wind blowing and things are happening that all of us need to be sensitive to.

Let me begin with our immediate reform efforts. As you know, one of our first tasks was to take up the issue of how we help as many people as possible pay for the cost of higher education. College tuition costs have risen about as fast as this nation's health care bill, and we are just about reaching the limit, I suspect, of what the public can afford and will tolerate. Yet at the same time, more and more people recognize the value of a college degree, and that's becoming more and more apparent. Students are willing to work hard at extra

jobs to cover tuition. There's a new sense of urgency about getting a degree. People recognize that a college degree puts dollars in the wallet and the pocketbook. The proverbial story of the unemployed honors graduate who returns home with a bag full of laundry and an unpaid student loan to reclaim his or her own room is surely a reflection of more recent hard times. But you and I know that in the long run, this young graduate has a very good shot at having a successful life. So we are determined to do right by these young people -- and those not so young people -- who are the future of this country.

After a tough battle we are beginning to create the new direct lending program. I can tell you that we have had an overwhelming and positive response to this initiative. We are very pleased and encouraged by the broad interest in the program, and I want to encourage every institution that didn't apply to consider applying in the next round. We will be announcing this coming Monday which colleges and universities will help to inaugurate the program. We had a tremendous response, as you know. These numerous institutions that qualified but that are not on the ground floor in our initial pilot effort will automatically be considered in round two.

Our second effort at reform has been our very strong push to rebuild the Pell Grant program. I can tell you directly that I was more than a little surprised to discover the wonders of the off-the-book, off-budget budgeting when I first became Secretary. It's kind of a Washington phenomenon. As a governor who had dealt with balanced budgets -- and you in your states deal with balanced budgets every day -- I had gotten into the habit of being frugal with taxpayers' money. And you can imagine my surprise to discover that the Pell Grant program -- a program that I was extremely interested in and wanted to try to build up and use in all kinds of different ways -- was some $2 billion in deficit -- off budget.

My first concern was that the magnitude of this deficit might force us to lower the size of the Pell Grant. That concerned me deeply. Fortunately, we have avoided that situation to date, and by careful use of the program and conservative handling we have cut the deficit by more than half. So we are approaching, I think, restoration of that

program where we can really use it more effectively. We have taken new measures to restore the integrity of the program. At the recent Nunn hearings in the Senate, we saw the indication that the management of this program has been worse than lax. The department didn't even listen to its own good internal advisors. Equally disturbing, a small, distinct minority of participants took full advantage of our laxity over the years.

I assure you that I will do everything in my power to instill integrity into this very vital program. This good and worthy program that has helped millions of students in college to get a leg up in life must not be jeopardized, and good students who need our financial help should never be short-changed by so-called ghost students. It's not right by a long shot, and those participants who have abused the program need to be vigorously pursued to insure that reform does in fact take place. We have hired as the new chief financial officer for the entire Department of Education Don Wertz, who is a very fine CPA and who was the chief investigator of the Pell Grant investigation of the General Accounting Office.

Our third effort to make higher education more accessible is one of our most satisfying efforts. It is the creation of the President's new national service initiative. I believe this program is good for the soul of the country, and it merits your careful attention. We expect to have 15,000 to 20,000 young people to participate in the Americorp during the first year. It is an ambitious effort and we ask for your creative involvement. All higher education institutions are eligible to participate in this program, and I urge your active participation, including the use of your own resources and work-study resources to encourage your students in service. The public service emphasis of state universities and land-grant institutions should never ever be lost. National service and the service learning that you provide for your students are tools that help so much in the important mission of instilling this idea of service in the young people of this country.

Let me say that I recognize that there is another very real concern -- really reservation might be the better word for some of you -- regarding the new standards established by the Congress last year as Part H of the 1992 Higher Education Amendments. Many of you are

very familiar with those; some of you are partially familiar. But these standards are really a reflection of the American people's deep concern about the excesses of the 80's when many standards of integrity from the very highest levels all through society seemed to be almost abandoned. So even the best of the institutions -- the very best of the institutions like yours -- are really now having to pay the price. I assure you that we are open to a continued dialogue as we go through this process of rule-making. But I must ask for your spirit of cooperation, some recognition on your part that this new desire for accountability on the part of the American people and the Congress is very real and will define our common agenda.

Now let me turn your attention to this current dialogue about standards. I want to speak to the issue not in the usual sense of how we talk about it within the education community. Part H that I just referred to reflects the concerns of Congress about one part of accountability -- kind of a technical thing. But I want you to get away from that somewhat and think with me for a few minutes about the broader mood in the country and how we as educators respond to it. Whether it's restoring ethics in politics, questioning the levels of violence and sensuality on television, as Attorney General Janet Reno did a few weeks ago, or wondering whether shock radio is good for the soul of this country, the American people are moving in a new direction. It is a direction of standards. Whether it is setting new standards for what is and what is not sexual harassment or establishing new academic standards for athletic eligibility issues on many of your campuses, the American people are increasingly recognizing that a very real price has been paid and continues to be paid for the diminishment of standards throughout our land. This desire for accountability and new standards crosses every single income level, and I assure you that it has the full support of every ethnic and racial group. This longing for standards is a real growing trend in this country. And I tell you, it's a good trend for the country.

For those of us who have been involved in the reform effort of the K through 12 level and the creation of new standards of excellence there, this new attention to standards and accountability is very welcome. And we have always believed that we will never have better standards in our larger society until we set standards of excellence in

our schools and for our children for our future, and our children are indeed our future. And that's why we're working hard to pass Goals 2000. This will soon come up for a final vote in the Senate. As you know it passed the House in a bipartisan way in a very strong vote. The legislation will create for the first time a set of national voluntary standards of excellence. It has been a long time coming -- the culmination of some 10 years of effort since the release of the landmark report, *A Nation at Risk*.

With the passage of the Goals 2000, our K through 12 reform efforts will then slip into high gear. It will start a process in every state where political leaders, teachers, parents, school administrators, business and community groups, and college educators will sit down together to answer two basic questions: 1) what do our children need to learn in order to make it in our new information-driven economy? and 2) what do we mean when we say that we want our children to grow up to be literate Americans, to be full and equal participants in the civic life of this great nation? These are important questions because our answers to them will define the future of K through 12 education in America.

Now some may say that this is not the business of higher education, but I believe otherwise. The very process of setting standards will have by definition an enormous impact on all of your institutions. It will create a new public dynamic, a public that is more aware, more involved, and more attuned to making the connection between schooling and results. As standards are set they will surely demand the reshaping of teacher education and encourage the long overdue reform in this absolutely vital area of higher education. In time, as standards take root and as expectations are raised, the reform of K through 12 will better prepare the next generation of students for college-level work -- something that you should expect and demand. This in turn will redefine how college faculty teach and what is taught, and it will allow colleges to shift resources from remedial work to more challenging and engaging material earlier in the process. The new quest for standards and accountability will certainly intensify the on-going debate on the balance that must be struck between research and teaching. Students who are already paying as much as they can and tax-paying parents who are dealing with tuition shock may

become much more aggressive in their expectations for putting first-class professors in the undergraduate classrooms.

In addition, our new School to Work legislation, which has very broad support in Congress, I think will also impact higher education. This legislation is the beginning effort to reinventing the American high school. We will create new career paths for the vast majority of our students -- about 75 percent -- who do not actually go and complete a four-year college program. We believe that these students become more definitive in choosing their career paths with all of them -- and remember this -- all of them having the same high academic standards as all students under our new program. They will be encouraged to join the millions of Americans who already are using this nation's community and technical college system as a stepping stone in many cases to your institutions. We are urging all young people to consider some post-high school work and to continue their education throughout their lifetimes really. You may see in time as much as a ten percent increase in your applications. I'm sure you see it now in many of your junior year entries. These students will be older, as you know. They will be more secure in their ideas of what they hope to achieve, and they will be much more results oriented. You must be prepared for an increase of these students.

My point in saying all this is to drive home the point that the new mood in this country and the standard setting process at the K through 12 level has broad implications on higher education. I'll be the first to tell you that the American people believe in the quality of American higher education. By any measure, American higher education is second to none. And more than ever, the public has made the connection between getting a higher education and achieving economic security. All of that is very, very positive and healthy. But at the same time, American people are indeed very much in a show-me mood, whether it's the White House or the State House or how we prepare their children for the coming times in the school house or the college or university. They are impatient and they are edgy, and they are all too aware after years of economic uncertainty as to how their children get educated and how it will determine their prosperity in the future in this knowledge-driven economy.

We are then, I think, at the threshold of a new and important public dialogue -- one only beginning to emerge, beginning to take shape -- one about the meaning of accountability and the meaning of standards for American higher education. So I encourage you to think more and think deeper about the shape of things to come and begin the important dialogue on the meaning of accountability for higher education. The federal government cannot and should not dictate the terms of this dialogue as it begins and as it works through our very powerful important systems. But by its very nature, such a dialogue must be extraordinarily sensitive to the spirit of academic freedom that defines the independence and the very integrity of higher education in America and the thing that has given us so much strength over the years.

At the same time, this dialogue ought to reflect the reality that the American higher education community is less than uniform. Our many technical colleges, community colleges, great state universities, great land-grant research universities, our private colleges, are all facets and reflections of the American people's quest for knowledge. This dialogue will surely be a dialogue that stretches over a period of time. It's taken the K through 12 community almost a decade to even begin to understand and come to a consensus about the importance of high standards and how to begin to implement them. But this I know for certain -- accountability will certainly be a watchword for the 1990's and well into the next century. And to the extent that higher education and this entire community engages and leads this dialogue with a real awareness of its necessity and its importance I assure you that we will benefit as a nation.

And I close with this thought: As a people we are smarter, more creative, and more talented than we really think. As Bill Clinton says, however, we can do better. This is a nation that has the capacity to lift its sights and set new standards of excellence as the touchstone of what we call the American dream for all young people. Higher education -- state universities and land-grant institutions in particular -- should be at the forefront of this movement. We must continue to move forward to be more relevant to improve everything that we offer. I assure you that your President believes in this ethic of learning that he speaks of. People must understand the link between

equity and excellence and economic success and education for children, youth and adults. For in this new economic era, you and I know that we will build less with brick and mortar as we thought in the past but more with our minds, more with the power of knowledge and the talent of every educated American.

So let's all come together to reclaim our heritage and prepare our young people for the coming exciting times. I believe in your energy, your common sense, your leadership, and your basic good will. I believe we that can build a national consensus for all of education. We can achieve equity, and we can achieve excellence for all of our people. And above all, we can move this great country called America forward. George Elliott said that the greater goal in life should be to influence the standards of mankind for generations to come. I think your great institutions have a rare opportunity to play an absolute critical role in this powerful, powerful charge -- to influence the standards of mankind for generations to come. Thank you very much.

The Assembly

The Assembly convened on Thursday, November 11, at 4 p.m. The Assembly is composed of the members of the Association's Board of Directors and up to ten representatives from each of the six Commissions. Its responsibilities are to bring issues before the Board of Directors, receive reports from the Commissions and their sub-units, and to make policy recommendations to the Board of Directors. This meeting is open to all annual meeting attendees.

President Nils Hasselmo, University of Minnesota, was announced as chair-elect of the Association, with Presidents Carol Cartwright, Kent State University, and Martin Jischke, Iowa State University, elected to the Association Board of Directors, Class of 1996. President Lois DeFleur, University at Binghamton, SUNY, and Chancellor Gene Budig, University of Kansas, were elected as chair and secretary, respectively, to the Council of Presidents.

In the absence of the Association Chair, President James McComas, VPI and State University, the Association Past-Chair, President Lattie F. Coor, Arizona State University, passed the gavel to Association Chair-Elect, President Frederick S. Humphries, Florida A&M University.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
National Association of State Universities
and Land-Grant Colleges:

We have audited the accompanying balance sheet of the National Association of State Universities and Land-Grant Colleges (the Association) as of December 31, 1992, and the related statements of revenues, expenses, and changes in fund balances and of cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for the year ended December 31, 1991, were audited by other auditors whose report, dated March 12, 1992, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 1992 financial statements referred to above present fairly, in all material respects, the financial position of the National Association of State Universities and Land-Grant Colleges as of December 31, 1992, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

Deloitte & Touche
March 19, 1993

Deloitte Touche Tohmatsu International

NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES

BALANCE SHEETS
DECEMBER 31, 1992 AND 1991

	1992			1991		
	General Fund	Restricted Fund	Total	General Fund	Restricted Fund	Total
ASSETS						
CASH	$ -	$ -	$ -	$ 107,965	$ -	$ 107,965
SHORT-TERM INVESTMENTS, At cost, which approximates market value	2,354,821	882,256	3,237,077	2,070,658	701,204	2,771,862
ACCOUNTS RECEIVABLE	106,527	1,975	108,502	72,871	52,130	125,001
PREPAID EXPENSES	20,654	-	20,654	9,939	-	9,939
FURNITURE AND EQUIPMENT, Net of accumulated depreciation of $237,555 in 1992 and $263,525 in 1991	188,605	-	188,605	225,913	-	225,913
LEASEHOLD IMPROVEMENTS, Net of accumulated amortization of $153,248 in 1992 and $159,283 in 1991	44,048	-	44,048	35,578	-	35,578
DUE (TO) FROM OTHER FUNDS	(281,224)	281,224	-	(326,187)	326,187	-
Total assets	$ 2,433,431	$ 1,165,455	$ 3,598,886	$ 2,196,737	$ 1,079,521	$ 3,276,258
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	$ 295,257	$ -	$ 295,257	$ 75,940	$ -	$ 75,940
Accrued expenses	65,265	-	65,265	297,407	-	297,407
Deferred revenue:						
Grants	-	1,165,455	1,165,455	-	1,079,521	1,079,521
Other	18,933	-	18,933	14,935	-	14,935
Total liabilities	379,455	1,165,455	1,544,910	388,282	1,079,521	1,467,803
FUND BALANCES	2,053,976	-	2,053,976	1,808,455	-	1,808,455
Total liabilities and fund balances	$ 2,433,431	$ 1,165,455	$ 3,598,886	$ 2,196,737	$ 1,079,521	$ 3,276,258

See notes to financial statements.

28

NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
YEARS ENDED DECEMBER 31, 1992 AND 1991

	1992			1991		
	General Fund	Restricted Fund	Total	General Fund	Restricted Fund	Total
REVENUES:						
Member dues	$ 2,605,245	$ -	$ 2,605,245	$ 2,457,540	$ -	$ 2,457,540
Grants and project support	157,261	1,126,929	1,284,190	208,663	1,546,660	1,755,323
OAPBC support	46,196	-	46,196	39,115	-	39,115
Investment	144,765	-	144,765	185,108	-	185,108
Annual meeting	288,877	-	288,877	225,735	-	225,735
Seminars	69,994	-	69,994	44,498	-	44,498
Other	25,201	-	25,201	5,578	-	5,578
Total revenues	3,337,539	1,126,929	4,464,468	3,166,237	1,546,660	4,712,897
EXPENSES:						
Personnel	1,331,786	564,818	1,896,604	1,223,356	416,737	1,640,093
Staff benefits	317,675	-	317,675	276,453	-	276,453
Payroll taxes	91,595	-	91,595	95,192	-	95,192
Consultants	63,218	-	63,218	61,708	-	61,708
Temporary and other personnel costs	42,917	-	42,917	82,984	-	82,984
Professional fees	67,952	-	67,952	47,034	-	47,034
Rent	185,786	-	185,786	178,250	-	178,250
Office supplies and services	99,639	137,260	236,899	68,011	208,358	276,369
Telecommunications	58,380	-	58,380	57,724	-	57,724
Postage and express mail	61,572	-	61,572	56,729	-	56,729
Depreciation and amortization	66,926	-	66,926	88,000	-	88,000
Computer systems	37,372	-	37,372	20,483	-	20,483
Annual meeting	229,278	-	229,278	210,843	-	210,843
Meetings	-	49,074	49,074	-	61,607	61,607
Travel and representation	85,546	23,452	108,998	73,616	31,845	105,461
Councils and commissions	97,653	-	97,653	63,818	-	63,818
Publications	90,310	12,692	103,002	91,288	15,055	106,343
Duplicators and copiers	56,895	-	56,895	60,170	-	60,170
Scholarship	-	337,504	337,504	-	296,095	296,095
Seminars	63,754	-	63,754	47,437	-	47,437
Kellogg Foundation Leadership Project	-	-	-	-	482,442	482,442
Other	43,764	2,129	45,893	72,251	34,521	106,772
Total expenses	3,092,018	1,126,929	4,218,947	2,875,347	1,546,660	4,422,007
EXCESS OF REVENUES OVER EXPENSES	245,521	-	245,521	290,890	-	290,890
FUND BALANCES, BEGINNING OF YEAR	1,808,455	-	1,808,455	1,517,565	-	1,517,565
FUND BALANCES, END OF YEAR	$ 2,053,976	$ -	$ 2,053,976	$ 1,808,455	$ -	$ 1,808,455

See notes to financial statements.

NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1992 AND 1991

	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess revenues over expenses	$ 245,521	$ 290,890
Depreciation and amortization	66,926	88,000
Changes in assets and liabilities:		
Decrease in accounts receivable	16,499	70,298
Increase in prepaid expenses	(10,715)	(5,874)
Increase (decrease) increase in accounts payable	219,317	(204,558)
(Decrease) increase in accrued expenses	(232,142)	45,666
Increase (decrease) in deferred revenue	89,932	(264,127)
Net cash (used in) provided by operations	395,338	20,295
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture, equipment, and leasehold improvements	(38,088)	(253,787)
(Increase) decrease in short-term investments	(465,215)	341,457
Net cash used in investing activities	(503,303)	87,670
INCREASE (DECREASE) IN CASH	(107,965)	107,965
CASH, BEGINNING OF YEAR	107,965	-
CASH, END OF YEAR	$ -	$ 107,965

See notes to financial statements.

NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1992 AND 1991

1. ORGANIZATION

The National Association of State Universities and Land-Grant Colleges (the Association) was formed in 1887 and is incorporated in the District of Columbia as a nonprofit corporation.

The Association has 160 members including 62 principal state universities, 72 land-grant campuses, and 26 university system administration offices. The Association's overriding mission is to support high-quality public education through efforts that enhance the capacity of members to perform their traditional teaching, research and public service roles.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting - To ensure the observation of limitations and restrictions placed on the use of resources available to the Association, the accounts of the Association are maintained in accordance with the principles of fund accounting whereby resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities and objectives. The restricted funds include amounts restricted by members of the organization, by the terms of the various grants and contracts, or by the funding sources for specific purposes. The restricted funds are segregated from the general fund.

Investments - The Association's investment portfolio is carried at cost, which approximated market value at December 31, 1992 and 1991.

Furniture and Equipment and Leasehold Improvements - Furniture and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to eight years. Leasehold improvements are amortized over the estimated useful life of the asset or the life of the lease, whichever is shorter.

Income Taxes - The Association is exempt from Federal income taxes on income other than unrelated business income under Section 501(c)3 of the Internal Revenue Code and is classified as an organization that is not a private foundation. The Association is also exempt under the applicable tax regulations of the District of Columbia.

Restricted Fund Revenue - Contract and grant receipts that are restricted as to use by the terms of the contract, grant, or other arrangement are deemed to be earned and are reported as revenue when the Association has incurred expenses in compliance with the funding restrictions. Amounts received but not yet earned are reported as deferred revenue.

Restricted Funds included in cash and short-term investments of the General Fund are presented as a payable and receivable between the funds.

Cash Flows - The Association does not classify its short-term investments as cash equivalents.

2. SHORT-TERM INVESTMENTS

Short-term investments consisted of the following at December 31, 1992 and 1991.

	1992	1991
Money market fund	$ 1,055,485	$ 842,155
Commercial paper	125,000	1,186,217
Corporate obligations	404,623	-
Government and government agency obligations	1,651,969	743,490
Total	$ 3,237,077	$ 2,771,862

3. COMMITMENTS

The Association occupies office space under a lease which will expire December 31, 1996. The lease provides for a monthly rental which may be increased for a proportionate share of real estate taxes and certain operating expenses. Rental expense for office space was $185,786 in 1992 and $178,250 in 1991.

The Association also leases office equipment under various leases expiring through 1996. Rent expense under these leases was $37,673 in 1992 and $38,871 in 1991.

The schedule of future minimum lease payments is as follows:

Year ending December 31,	
1993	$ 218,092
1994	214,487
1995	211,070
1996	190,893
Thereafter	-
	$ 834,542

4. EMPLOYEE BENEFITS

All full-time employees are covered under a defined contribution pension plan. The plan provides for full vesting upon two years of service. The plan is funded through the purchase of individual annuity contracts, and an expense is charged for the total annual premiums due on such contracts. Pension expense was $188,736 in 1992 and $151,177 in 1991.

The Association accrued $177,326 as of December 31, 1991, for deferred compensation due its former president. This deferred compensation was paid to the president emeritus in 1992.

5. RELATED PARTIES

Several officers of the Association serve as officers or board members of other organizations related to higher education. There were no significant transactions between the Association and these other organizations during 1992 or 1991.

* * * * * *

An Address By

Clifton R. Wharton, Jr.

Foreign Policy and Preventive Diplomacy:
Redefining U.S. Development Assistance
After the Cold War

Before the

Commission on International Affairs
and
Commission on Food, Environment, and
Renewable Resources

I have been pondering how to open my remarks to you tonight.

"A funny thing happened on the way to the Grand Hyatt Hotel?"

"In this city of monuments, is there one for fallen bureaucrats?"

"How do anonymous officials receive their paychecks?"

"Do the spin doctors ever get dizzy?"

Obviously, this was not how I intended to start when I accepted your invitation weeks ago. I was looking forward to breaking away from Foggy Bottom to visit with old friends and revive many pleasant memories.

I have broken away, all right!

I don't know if I can recall the number of occasions that I have appeared before you in one disguise or another. As President of Michigan State, as Chancellor of the SUNY system, as Chairman and CEO of TIAA-CREF, as your Chairman for one term -- all of these

connections have kept me in close contact with the Association and have helped me acquire and retain many wonderful friendships.

Believe me, I had not expected that my appearance tonight would be as the *ex*-Deputy Secretary of State. The circumstances leading to that new appellation are complex and, I am sure you will not be surprised to know, they are not completely in accord with what you may have read.

I had intended to tell you -- from my superior vantage point as a ten-month Washington veteran -- that it was *not* true that the Beltway encloses Biosphere III -- uncontaminated by any outside atmosphere. Now, I am not so sure. What *does* get pumped in here from time to time, however, definitely is not oxygen.

In any event, I do not want to spend our time together rehashing these events. But I do want to tell you that being among friends tonight suddenly has become even more important and comforting to me.

What do I say to you tonight? Well, there is one consistent Washington truism: people come and people go, but the challenges remain.

I hope that even in my short time at the State Department, I was able to contribute to a number of matters important to our role as the sole remaining global superpower. One of the most significant of these matters is the U.S. foreign and development assistance programs, and I would like to tell you what has been happening.

<u>The New World Order</u>

Each day seems to bring a new crisis in the world, one that somehow the United States is expected to play a leading role in solving. These events often are terribly tragic for the peoples involved -- destroying lives, homes and creating massive refugee problems. And the tragedy comes home to our shores with the reports of our military personnel killed and wounded in their efforts to provide security and maintain peace in foreign lands.

It was not supposed to be this way, of course. Remember back to the crumbling of the Berlin Wall -- just four years ago this month -- and the breakup of the Soviet Union? The Cold War was dead, and the opportunities for peace and prosperity were very much alive. This is what we had been waiting for, what our foreign policy, over 45 years, had been constructed to achieve.

What we had not been waiting for, however, was the rash of volatile renewals of ancient cultural and territorial enmities in the former states of the Soviet Union or the ethnic and religious clashes in Yugoslavia, Burundi, Somalia, Kashmir and elsewhere. While none of these conflicts has carried the mutually-assured nuclear destruction threat of the Cold War years, they have had tragic costs in lives and threatened stability in surrounding countries. In short, what was supposed to be a "new world order" seems to have rapidly turned into a new world *dis*order.

In the long run, however, world prospects are promising. Democracy and free market economies are the wave of the future in many nations once hidden behind walls and despotism. But this is true only if the momentum can be sustained.

What is in all of this for the U.S., and what should we be doing about it? Being a superpower doesn't mean very much -- if we do not encourage and foster democracy in countries that seek it; if our own economy, so dependent on world markets, remains ailing; if we cannot achieve a reduction in weapons of mass destruction; if we do not fight the spread of AIDS, narcotics and terrorism; if we do not help stop the degradation of the environment; if we do not provide humanitarian assistance in natural and man-made disasters.

Our future depends upon realizing that these are the goals we *must* achieve if we are to protect the vital long-term interests of the United States. Of course we can lead, but we cannot do it all alone. We must continue to build coalitions, work through the United Nations on peace-keeping efforts, create new trade opportunities such as GATT and the North American Free Trade Agreement and be prepared to provide humanitarian aid.

There is one weapon in our arsenal that you are all familiar with, one that has been around since 1947, one that has not gone out of date, and that today is just as important as it ever was. I am talking about foreign development assistance.

Foreign Development Assistance

This will come as no surprise to you in the land-grant colleges and universities. Your institutions were responsible for proposing and creating the very first federal program of foreign technical assistance. Thus, you have been an integral part of this effort since the earliest days. So, I do not need to stand here and preach to those who helped write the bible.

What I do want to do is to encourage you to continue to promote sustainable development and economic growth in the less-developed and emerging democratic nations. That partnership has produced remarkable achievements in the past. And your effort continues. According to an ACE survey, some 65 percent of doctoral institutions hold government contracts for technical and development assistance overseas.[1] The Collaborative Research Support Program, supported by the Agency for International Development and the Board for International Food and Agricultural Development (of which I had the honor of being the first Chairman) has produced substantial results.

A.I.D.'s Center for University Cooperation in Development, recently headed by our old friend, Ralph Smuckler, plays a leading role in making the university-owned partnership in development productive.

Nevertheless, as important as this work is, the government end of the partnership must face certain realities in the light of our changed world. It must, in effect, redefine what it is doing, how it is doing it, where it is doing it, and, above all, why it is in the national interest that it continues.

I can address this subject with some confidence, not only from my past professional experience, but because my first assignment as Deputy Secretary was to convene an inter-agency task force to conduct a thorough study of U.S. foreign assistance programs,

particularly A.I.D. Our study already has led to substantial changes within A.I.D., and I hope additional recommendations requiring Executive and Congressional action will be forthcoming. Moreover, the anxiously-awaited redraft of the Foreign Assistance Act is based upon the task force report. I will come back to the F.A.A. in a few minutes, but first it may be helpful to describe the process of reform.

The Task Force

With a new Administration, and the defeat of communism, this was a particularly propitious time for such a review. We now could look to influencing the spread of democracy; to focusing on economics and competitive issues; to addressing the many global issues, such as AIDS, the environment, narcotics, and refugees; and to adapt to the increasingly interdependent world of trade and commerce.

And finally, there was the domestic urgency to reduce the federal deficit, invest in our own infrastructure, upgrade our health care system and improve education that imposed tremendous pressures on the funds available for foreign assistance.

This last point is crucial to the discussion. It not only controls the extent of the traditional development efforts of our university-government partnership, but it also must address exploding fiscal demands for increased peace-keeping and nation-building activities, and support for countries in transition, such as the former Soviet Union, and now, of course, for the new Middle East peace initiative.

In other words, the way the foreign assistance "pie" is sliced may change significantly. This reality led to our recommendation that the total foreign assistance budget be restructured to focus on *objectives* rather than on the more than thirty separately-funded activities as in the past. My first attempt using this approach was with the FY '94 and '95 budgets, and it was further utilized in preparing the Foreign Assistance Act redraft. This new framework produced five primary objectives, or building blocks, for the foreign assistance budget:

- First, Emergency Humanitarian Assistance -- enabling the U.S. to respond rapidly to life-threatening needs.

- Second, Promoting Peace -- the managing and resolving of conflicts, plus dealing with weapons proliferation, terrorism, narcotics and international crime.

- Third, Building Democracy -- the support of nascent and threatened democracies.

- Fourth, Promoting Sustainable Development -- assisting in broad-based economic growth and democratic participation in development.

- Fifth, Promoting U.S. Growth and Employment Through Trade and Investment -- fostering programs that encourage foreign investment and market reform, thus promoting U.S. economic growth and employment.

The goal was to link broad foreign policy objectives with funding. Thus, for the first time, the decision-makers can begin to analyze the effectiveness of our foreign aid programs in achieving specific objectives. This greatly streamlined approach should strengthen coordination, reduce waste and improve accountability, and permit the U.S. to redirect its foreign assistance resources so that they more fully underwrite the achievement of our national interests.

I note in your recent International Affairs Commission report that your Association wisely is focusing on many of the same issues.

The traditional developmental activities of A.I.D. and the universities, of course, will be included under the fourth building block of promoting economic prosperity and sustainable development, although there can be major contributions to the other objectives as well. But substantial changes in the way in which A.I.D. conducts its mission are required, and these will effect and influence that partnership.

Some Findings of the Task Force

All of you who have had first-hand experience with A.I.D. have your own criticism to recount -- about the bureaucracy, unfocused

mandates, cumbersome overlays of management and restrictions, and confusing policies. I am not sure whether it will be disappointing or reassuring to you to know that you were absolutely right. Our task force study confirmed that those and other deficiencies underscore the need for major reform of A.I.D.

As you know, the problems do not result from the caliber of the dedicated men and women working in A.I.D. Rather, they stem from an overwhelming burden of administrative and regulatory procedures, bureaucratic divisions and strictures, and conflicting objectives that have multiplied over the years.

Our study quickly determined that A.I.D. is spread far too thin in relation to its resources and a coherent foreign policy mission. When the Clinton Administration took office, the agency had a field presence in 99 different countries and a portfolio of some 2,226 active projects, carrying out programs in more countries than ever before in its history. Moreover, there were too many layers of management between the Administrator and field programs.

In addition to its major internal problems, perhaps the most difficult to cope with have been the myriad goals, objectives and earmarks imposed upon A.I.D. over the years. A 1989 Congressional report [2] identified 33 independent statutory goals and objectives and 75 priority areas that A.I.D. must pursue.

If this is not complex enough, each Congressional oversight committee must be notified before the purpose, funding level or source of funds for any project can be changed. In one year alone (1992), A.I.D. submitted 1,050 formal projects amendments in 768 separate Congressional notifications.

As a result, A.I.D. managers have great difficulty in designing country programs based on their evaluation of local conditions and needs -- or in rapidly changing a design or program when circumstances clearly require it. In effect, they are told how much is available, for which specified programs, and in which countries.

Our task force considered abolishing A.I.D. and dispersing its functions to other departments and agencies. But we concluded that there was a clear need for a national development agency to advance bilateral relations, provide outreach to both government and non-government organizations, utilize A.I.D.'s decades of expertise, and provide through its activities support for the President's foreign policy objectives. Thus, our conclusion that A.I.D. be retained -- but with substantial changes.

These changes are described in my report, and I will not take the time to detail them here. However, they involve reducing the number of countries with A.I.D. programs; adopting strict criteria for assistance; establishing more effective evaluation; encouraging greater collaboration with other nations, state and local governments and non-government organizations; and seeking multi-year funding from Congress.

Finally, my report said that Congress and the Executive Branch should be asked to relieve A.I.D. of the costly earmarking and oversight pressures in order to increase the Agency's flexibility and effectiveness. Some new legislation will be required.

The response to our recommendations has been gratifying, and Brian Atwood, the new A.I.D. Administrator, has been hard at work implementing numerous internal reforms while awaiting those requiring external approval. With a new mandate, I believe a reinvigorated A.I.D. will be a key participant in the attainment of U.S. domestic and foreign policy goals.

The University Connection

A given in this prescription for success, however, is that the government-university partnership be retained and allowed to flourish. The American system of higher education remains one of our greatest assets -- domestically and internationally. To my mind, academic research in general, and research universities in particular, are our country's "hidden-edge" in economic development and global competition. The research brainpower possessed by our universities is truly awesome. Certainly, other countries recognize this. Why else

do we have the highest number of foreign students in the world studying in U.S. graduate programs and research universities?

U.S. policy-makers keep trying to identify sectors where we have a competitive edge. They need to look no farther than our colleges and universities! Yet, instead of building support for this sector, it is declining.

The federal share of R&D funding at research-intensive universities has declined from a 1966 high of 74 percent to 58 percent in 1990. A recent report to the Federal Coordinating Council for Science, Engineering and Technology contains many excellent recommendations for bolstering this productive and essential relationship, and I hope they will be given thoughtful and positive attention.

The linkage between university research programs and our crucial foreign policy objectives is obvious. First, we must be strong economically and productively at home. Second, we must be able to export our knowledge and expertise to those countries that will benefit from it and that will retain or achieve systems based on democratic principles. In so doing, we will not only be helping to create a more stable, prosperous world, we will be strengthening our own ability to promote democracy and to compete in that world.

Conclusion -- The Redefinition of National Security

Let me spend a final few moments on a related subject that is extremely important, and perhaps the one I most regret that I will not be around to participate in the debate. That has to do with the vital need to redefine what constitutes America's national security.

During the Cold War, we defined national security overwhelmingly in military terms -- understandably, because of the threat of Soviet missiles aimed at our heartland and at our allies. Today, America requires a broader definition to adapt to a wide range of threats to our national interests from local and regional conflicts, political chaos, economic deterioration or collapse, unchecked population growth, environmental degradation, and international narcotics trafficking.

There are perhaps no more vivid current examples of the need for this new definition than Somalia, Haiti and the Balkan tragedy. In dealing with these and other threats to stability, we have drawn on an array of devices -- humanitarian aid, military force, and bilateral and multilateral (UN, NATO) approaches. Economic aid, as I have described earlier in my remarks, remains a key part of our arsenal and is proving no less critical in addressing current challenges.

While the threat of force, even with its often-unpredictable outcome, remains a useful adjunct to diplomacy, we no longer can rely on a foreign policy based primarily on that contingency. Rather I believe our policy must embrace a greater reliance on *preventive* diplomacy. Recent debates on peacekeeping and peacemaking have deflected attention away from actions and programs which, if pursued earlier, may have avoided or prevented the need to use force.

Somalia is a case in point. The initial breakdown in political and civil structures led to economic chaos and decline, which in turn led to massive starvation, hunger and death. Then came the multilateral effort to provide humanitarian relief, which required civil stability and tranquility to establish the social cohesion fundamental to solving food production and hunger problems.

Failure to address the root causes at their earliest stage has meant that the United States thus far, in addition to the tragic loss of our soldiers' lives, has spent about $200 million in humanitarian aid and over $1 billion in peacekeeping.

Thus, I believe that preventive diplomacy, not just military force, must be the basis of the redefinition of national security. We know the broad context of what is in our national interest -- peace, prosperity and democracy. But it is how we allocate our limited resources that makes the difference of whether or not we achieve these goals. To be more specific, how do we allocate these resources between genuine foreign assistance and national defense?

I can tell you how it has traditionally been allocated. In the FY 1994 budget, national defense is slated for $242 billion. International assistance? It is estimated at $19.8 billion.

Here we are, with the Cold War over and no credible military foe threatening us, and nations around the world yearning for help in achieving development, in expanding their free markets, and in making democracy work -- and only one percent of the national budget is available for all international affairs programs. And it should be noted that even some of that $19.8 billion for foreign assistance is dedicated to military purposes.

Do not misunderstand me. I am not faulting the Clinton Administration for this situation. They are not to blame. It is an inherited condition stemming from the years of perceived Cold War threats creating far greater military power than global circumstances now require.

As I no longer speak for the current Administration, I will say, as a private citizen, that President Clinton probably would like to alter this apportionment so that more funds could be directed to the Foreign Assistance budget -- to the five building blocks that I described earlier. Indeed, an article in *The New York Times* this morning alludes to such efforts in that direction. The trouble is that you don't stop a juggernaut in one year or even two.

That is why I say we need a thorough debate on how we define our national security so that the dollars we have available will truly work for the kind of world that we all wish for.

As we begin the debate we must realize that:

- Foreign policy is more than military might.
- Foreign policy is more than international political negotiations.
- Foreign policy is more than bilateral and multilateral transactions.

Yes, foreign policy *is* all these, but requires more.

We must realize that foreign policy also includes *preventive* diplomacy.

- A preventive diplomacy that understands the dependency between our domestic economic well-being and the well-being of the rest of the world.

- A preventive diplomacy that is committed to greater foreign investment and freer trade.

- A preventive diplomacy that acknowledges that global scourges such as environmental degradation, AIDS, narcotics and terrorism do not respect national boundaries.

- A preventive diplomacy that works unceasingly against the spread of weapons of mass destruction.

- A preventive diplomacy that recognizes that the abilities of a people to govern themselves and resolve differences peacefully is the first step on the road to social stability and cohesion.

- A preventive diplomacy that sees the elimination of poverty and hunger as the most potent force to achieve a peaceful world.

The key questions in the debate then are: Is this redefinition valid? And if so, do our current resource allocations match this reality? The answers may well determine our global future.

Thank you again for your friendship and support. And who knows? Maybe some day I will be back with a new title, even if it is just "retired."

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1 Campus Trends 1992 -- American Council on Education.

2 Report on Foreign Assistance, House Committee on Foreign Affairs (the "Hamilton-Gilman Report").

An Address By

George Latimer
U.S. Department of Housing and Urban Development

Before the

Commission on the Urban Agenda

Ladies and gentlemen and Jon thank you very much for bringing me here. Jon and Ruth Ann Wefald are here from Kansas State University, and we go back about as long as Peter Magrath and I go back in Minnesota, and to see Jon, who is an old populist and now that he's in Bob Dole's state he is a neo-conservative. But in his blood flows this populist, and he says that he and I are both Hubert Humphrey lovers.

It won't be scintillating, but I'd like to set the table a little bit where we are between our institutions because I have high hopes, and I want to be fairly careful about what I think the possibilities are, as well as the limitations. I'm going to talk a little bit about HUD, but not so much as to really depress you.

I'm going to talk a little bit about the mission of HUD and then find out whether our missions are compatible. I think they are. I'd also like to talk a little bit about the work we've done.

Jon was kind and talked about my background as mayor for 14 years, but I can tell you as an aging egotist, one of the most radical transformations in my life is that I'm becoming a hero worshipper for the first time in my life.

This man is extraordinary. I think it is our good fortune and yours. He's not extraordinary because he has a Ph.D. You're living proof that there's nothing bloody extraordinary about that at all, but he has a Ph.D. in public administration. He went on and got an MA at the Kennedy School in public affairs. He is a man who is just passionately committed to making ideas work for people, and it's a

joy to work with him.

He began with us in January gathering as many of us, and the consumers of HUD services, and the not-for-profit groups that work with us in the community organizations, and he forged a mission that I think makes sense. And at the risk of being too stuck to the text, I do want to share it with you, as well as this year's priorities.

The first commitment that he has made -- and that HUD is making -- is that HUD will be about more than housing. It's first mission is that it will be part of community building. The president of the University of Florida and I were just talking about what they're doing in Gainesville working with the public housing community. And he knows, and you know, and I know that shelter alone does not make a community. It is to restore the connections between people, and part of that restoration can only occur if we honor the humanity which carries with it possibilities, responsibilities, and rights. And so, community is our first commitment. Restoring the connections between people that help to bless their work and to govern what they do and to reward what they do.

Secondly, he is committed in his mission, and we are committed in the mission, to being sure that when we do have a presence in the community that we affect and bring economic lift to that community because we know that at least as long as we're going to live that having economic opportunity and a job has got to be a central part of transforming people's life to the better.

And thirdly, and here I will quote him exactly, if I may. "Thirdly, it is a commitment to reciprocity and to balancing individual rights and responsibilities." That's a powerful statement that could be empty rhetoric except for the fact that I'm with him every Monday at awfully long staff meetings. The man has steel where the rest of us have flesh. He sits and works, and he doesn't let go. I can tell you that every program, and every policy, and every issue, and every budgetary item that comes up, he presses it back into this mission. And he wants to know whether we are rewarding responsibility and we are supporting rights. He's doing both.

Let me give you just one example of how he takes the real experience of people and he brings it into the policy and brings it into our values. He was in Atlanta in April, and after he spent some time with a public housing family, he realized that the family was divided but did not wish to be. And he quickly learned that under the rules of how public housing tenants pay their rent, they have to increase the rent if a person gets a job, which is healthy enough. There's nothing wrong with that. The problem with it is that the increase just goes right on going, and it ignores the market, and the cost will be higher than the market rate would be in the very area. He came back and thought about that, and he has proposed to the Congress -- and I believe they are going to pass it -- two little changes that have to be done congressionally. The first is to permit a moratorium of some 18 months for that public housing tenant, because you and I know that when someone is able to get a job for the first time that we need to give them a little time to get into it, to make sure that it has some durability.

The second thing he's doing is saying, yes, it will rise to a point, but then there will be a ceiling. And then the person is told -- and I believe that President Clinton has been faithful in this regard -- the person would be told that here in American it is still better to work than not to work. And at the end of the day when you work, you will be better off than had you not. And it does something else as a secondary matter in this little regulation. Just one example of what he hopes to do throughout the system. It does another thing, and you and I know what that is. At one time public housing was a platform from which people were able to climb the ladder and move through the economy. And too often we have huge concentrations of deeply poor people, none of whom are even on the first rung of the ladder. And we know from William Julius Wilson's work in Chicago, and we know from everything else we know about education, and what we know about residential life, is that over-concentration of poor people in one place in segregated ways leads to poor outcomes. We know about education. The Coleman Report in 1950 said the same thing about public education. And we know the same thing about housing.

And so this means that now a person will be doing better. The family will be doing better. They will be representing a model for the other

folks in that project, in that area, and give them hope that there is a chance, that you can make a difference, that you can get a job, and that getting a job does count for something. So I think that means something.

And finally, and I'm very proud of him about this because, folks, nobody in America wants to talk about race any more. We're tired of it. That was a long time ago, we want to say. Well it's not a long time ago. There is evidence in mortgage lending. There is evidence in the job market. There is evidence in real estate and rental markets. There is evidence on any side without bias if you examine it, that indeed we have not yet reached our ideal of a free and equal society. And so he has committed himself to deal with rights and responsibilities, but to confront issues of segregation wherever they occur as a result of discrimination. And I'd like to think that he might be the preeminent spokesman for that value in the federal government today. And when he went to Vidar, Texas, which is not far from his own home in San Antonio, he went there with a special grace that he brings to everything he does. And he said that Vidar, Texas, a town of 8,000, which is 40 miles from Pullmount, which is 40 percent black, cannot be all white by accident. And he sat down with the community. But instead of assaulting them and leaving, he convened the community, and they're working together to make a difference. And we're going to make a difference there. And I think this country will not change for the better if that kind of commitment doesn't take place.

These priorities that I just mentioned -- this mission statement, I should say -- is not unrelated to your mission. Let me specify the first-year priorities that he has set forth as a way of moving toward the mission and the vision that he has set forth. First of all, he has said he's committed to helping more homeless persons and families progress to permanent housing through local HUD-assisted comprehensive homeless systems; secondly, to significantly reduce the number of severely distressed public housing units in America; thirdly, to reform the federal housing administration so that it once again can provide affordable housing instead of being a barrier to people; fourth, I've already said, reduce racial barriers to residential mobility; and fifth, to empower communities by working in

partnership with state and local governments, community-based organizations, and the private sector to create jobs and appreciably improve the quality of the urban life. The only flaw in that statement, can we agree, is that he didn't include in it the not-for-profit, the National Association of State Universities and Land-Grant Colleges.

You all started in 1862. That's what it was about. And when we started we were a rural nation, and the commitment was real clear. It was to educate every one of America's people, all the children of all of our population. And it was devoted to the public interest. And the public interest during that century was to bring to rural communities the blessings of an enlightened education, as well as the ability to create and invent alternatives. And so we're all proud. Every one of you come from an institution that has furthered us along, not only in educating people, but also in your research, and your applied research, and your pure research, and affecting the way farmers in particular for a good part of this century were able to farm their land. So much of what they learned, so much of the hybrids they created, the industries that really truly made the American farm the most productive enterprise in the whole world, really emanated from the kind of collaboration between the land-grant universities and the people you serve. I think you can truly say -- and only two or three of you are old enough to have played a role back at the turn of the century -- but you can look with some pride and without any fear of vanity to say that the mission of 1862 was in many, many ways fulfilled nobly.

The world is different today. We are no longer a rural community, although Jon Wefald would point out to me that there are more poor people in rural America today in proportionate terms than there are in cities. We better not forget that -- with the human services too often deprived them because of the lack of density and the lack of concentration, and often a tradition of denial that those things are needed. So I don't mean to leave that out of what I'm about to say. One of Secretary Cisneros's unique commitments is that in our office is an advocate for rural housing, an advocate for migrant housing. There will be an advocate for Indian housing. It's part of his commitment. So that will affect your institutions as well.

But I want to turn our attention to the new mission of the land-grant universities and colleges. You're here for three days of productive and optimistic work, but I want to tell you that no person with any honesty, and with a clear eye, and a decent heart can go through the cities of America and feel good about where we are in this country. We've got a lot of work to do.

I want to share with you our Monday staff meeting. I'm sharing it with you for a very good reason, and if you're patient you may hear what it is. Henry Cisneros came back from Newark, New Jersey, where he had walked the streets with Monsignor Liddener. Monsignor Liddener is a recipient of the MacArthur Genius Award. He has worked in Newark for 25 years in the community there. He is white, and his community is mainly African American. And through those years -- not all at once, but one brick at a time -- he has created a community-owned shopping center, a community-based education center, a training center, a massive reduction of crime, an increase in the graduate rate of the kids who are there, better outcomes for the babies who are born there, and 2,500 jobs. And he's done it brick by brick. And it's all there and documented.

Well, he took Henry from that experience to an adjoining plot where there were 10 high-rises with 15 floors each, stacked back-to-back. Stacked. And he said that he went and looked at each of the tenements. He said there were not 10 percent of the units lived in. He said some of them were lived in by some pathetic little families, and the rest were drug dealers or gang leaders. And he talked about the fear that you had to feel in walking through there. This is in Newark, New Jersey, within proximity of where Monsignor Liddener's work has succeeded. There's almost an implicit assumption out there today that some people are meant to be full of despair and lacking in hope and lacking jobs, and lacking literacy, and full of violence. There is almost an implicit assumption that that's the way it is. I think if there's one thing that joins the people in this room, it is that you refuse to accept that the human condition cannot be changed by the commitment of human beings. That is what you are about.

Let me simply say -- and I'm not preaching to the untutored, but to the choir, I know -- that I want you to commit to this new mission. I want

you to think of every stack of high-rises as what your mission was 100 years ago -- to bring to the children of farm families the possibility and hope of a better life. I want you to think of it as exactly like that. And we have evidence and models all over this country that we can make a difference. And very honestly, I hope you're not insulted if I say this. We've done a lousy job of using your energy, and resources, and brains, just a very poor job. And that's going to change. It's going to change with this Secretary and with this President. There is not going to be in the budget massive change in resources, and we all know that. But there really is an opportunity for community building with better combinations than we've ever worked at before. And one of the things that Peter Magrath and his staff and the members of your board who joined us many months ago -- the Secretary met with them. They then came back and we met with Assistant Secretary Mike Stegman and his staff, who is the head of policy development and research, and you have presented a half dozen ideas for us to think about in collaboration.

I want to comment generically on a few of those ideas, if I may. And then I'm going to give you some advice. Let me suggest three areas that you have shown some interest in already. I'll add a fourth that I think we have immense possibilities in: public housing and bringing all of the resources that you have to rebuilding and building communities and public housing; the issue of crime and how we deal with that within the community; and third, which is related to the first two, is a whole notion that as universities and colleges, as a part of the fabric of the community and helping to build the community, although I mentioned that we're not going to have a lot of new programmatic money, I should mention that there are a few million that you already know about, and Assistant Secretary Stegman is now literally, as we speak, drafting regulations for training dollars of some $30 million -- I'm afraid it's not an awful lot of money -- that would be of assistance for interns. We think, and he believes, that we have done a poor job of offering these opportunities to people from either poverty backgrounds or people of color. We think that we ought to be able to improve that, and with your help we ought to be able to improve it. But Valerie Piper who is with me right now and has been working with you, believes that this commitment that you're moving

toward making could be most exciting in the area of community building and public housing.

Let me tell you my advice. There will be some research and development dollars. There will be some technical assistance possibilities. There could be contracts with your institutions. It doesn't amount to very much money. I think we ought to remember one of the great, great political philosophers, Willy Sutton. Do you remember what they said to Willy Sutton? Willy Sutton was an incorrigible bank robber in New York, where so many of them are. I grew up in New York. And, they couldn't stop him. Then they finally grabbed him and sent him off to prison. He was otherwise a good guy, and they said, "Willy, why do you keep robbing banks?" And he said, "Because that's where the money is, you dummy. What am I going to rob, except that which has the money." I recommend that you apply the Sutton rule to your work.

Now I know as academics that you never care a fig for money and grants and things of that type because I myself have been an academic, and I never paid much attention to fund raising or seeking grants. But for those of you who might have some interest, let me give you just a couple of numbers to think about.

There will be going out into the streets of a number of cities $738 million for distressed public housing, and that money is going to be used in various flexible ways for people to redesign, rebuild, reshape, and remanage public housing in America. Let me suggest that all the skills that you're imparting to your students are needed there. Let me suggest further that the collaboration with those communities in planning, and designing, and changing their physical environment will itself be an education for all of you, student or faculty, who wish to engage in that enterprise.

So what I'm really saying to you is that money, as it goes to the authorities, is going to be flexible. It's going to be a serious amount, and it's going to be fairly imminent. And it seems to me that if I were an entrepreneurial academic in an urban area, and if I had the kind of record that you folks have of committing yourself to making a

difference in the cities that you're located in, that I would look to that as one source.

Let me give you a related idea on crime. Either through some very thoughtful work on your part or through some shrewd manipulation of your plans, you've made several proposals that anticipate where HUD is going. The law on crime control is not yet passed. But some of your representatives working with Peter and Val and the staffs have stated that you believe, as Henry Cisneros believes, that we're not going to be able to make a difference in communities, in housing, in building residential neighborhoods without going after the crime issue and stop treating it like it's a perception that some people have. The most powerful force in America today -- it isn't demagogic, it isn't imagined, it isn't only perceived -- it is the growing alarm that all of our citizens feel about violence in all of its forms. And we ought to make a difference. Violence is a learned behavior. Moving away from violence at the earliest age can be a learned behavior. You are educators. Start dealing with that issue on a preventive and teaching basis, as well as in crime control and in crime stopping, and community policing, and all the rest.

About a quarter of a billion dollars is going to go into that program. I don't know what the prospects are, but I'm told that it looks pretty good because there is powerful public support for being aggressive about it. It seems to me that those are very substantial commitments that are going to be flowing through HUD into the communities where you have a presence, and I think that you ought to get connected with that as much as possible.

I will stop there. I went only modestly over my assigned time. Thank you for letting me come.

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1993 William Henry Hatch Memorial Lecture

The Marriage of Health and Agriculture

Kenneth J. Carpenter
University of California, Berkeley

This lectureship was, of course, established to honor the memory of William Henry Hatch, the congressman from Missouri who pushed through legislation in 1887 that would give Federal funding for an agricultural experiment station in every State of the Union.

The person appointed in 1888 to serve in Washington and to supervise, encourage, and coordinate the work of these stations was Wilbur Atwater, professor of chemistry at Wesleyan University. He was a believer in their taking on only a few carefully chosen projects and doing them thoroughly. He was particularly anxious that the results of completed work then should not be lost, but be properly published and collated. He also made great efforts to see that the results of the recent work done in Europe, where there was greater experience of both basic and applied studies in crop production, animal nutrition, etc., were made available to workers in the United States. After three years in which he had established some good basic working procedures, he returned to his professorship and his own experiment station in Connecticut.

Atwater's special research interest was human nutrition. At that time there was a general feeling from visitors to more tropical areas that the lethargy and lack of "get up and go" that was apparent in the people there was due to a lack of protein in their diet. (Now we would consider it to have been primarily malaria and other chronic infections that were draining their energy.) Striking and rapid technological advances and industrialization also seemed to be confined to Western Europe and North America. Their self-congratulatory inhabitants attributed this partly to good genetics and to the puritan work ethic,

but also to the traditional western diet being superior in supporting the energy required for such advances.

Atwater argued that it was the responsibility of the U.S. agricultural enterprise to provide the population with food from which they could afford to purchase a diet that would keep them strong and energetic. This required two lines of investigation -- what people needed and what different foods supplied. Then, when this work was sufficiently advanced, the poor especially would need to be taught how to make good, economical choices from what was available. In the 1880's working families were typically spending 50-60 percent of their incomes on food. (Today the corresponding figure in the United States, despite the enormous increase in population, is only some 15 percent -- a tribute to the productivity of the agricultural industry, and to the work of the scientists that has made the farmers' achievements possible.)

In 1893 legislation was introduced specifically to broaden the USDA's research interests to include "food investigations." Atwater was put in charge of these studies and given funds for this work. There is no time now to discuss the actual studies that he initiated, but they are thoroughly reviewed in the proceedings of the Atwater Centenary Conference held earlier this year, and soon to be published in the *Journal of Nutrition*.

Two of his recommendations have a contemporary interest. First, he said that U.S. farm production contained too much fat. Indeed, at that time, hogs were valued mainly for their lard, and even beef typically had less protein (as a percentage of its total calorie) than bread. Second, he wrote that the cooking schools for the poor, in which he took an interest and regarded as a truly Christian charity, should recommend margarine as a complete and economical replacement for butter. A few years later the dairy lobby would have considered this as a betrayal of his loyalty to the agricultural interest. To the surprise of modern readers, he regarded fruits and vegetables as unnecessary luxuries, because protein and calories could be obtained more cheaply from other foods. And vitamins, of course, had not yet been discovered.

By 1904, when Atwater was permanently incapacitated by a stroke, all the main U.S. foods had been analyzed by the methods of the day, and the energy expenditure and protein metabolism of human subjects, at work and at rest, had been determined in the Atwater-Benedict calorimeter. It seemed as though the subject of nutrition had been pretty well worked out.

This was not the case. After Louis Pasteur's work showing that many infectious diseases were caused by bacteria which could be inactivated by heat, pediatricians in both Europe and the United States encouraged the heat-sterilization of cow's milk to reduce the risk of "summer diarrhea," a common cause of death among weaned infants. This succeeded but a new condition then appeared among a proportion of these infants -- infantile scurvy, which could be cured, or prevented, with orange juice. Yet, by Atwater's type of analysis, raw and sterilized milk were virtually indistinguishable.

In 1905, another disease began to appear in some Southern States -- pellagra, a beastly condition characterized by terrible dermatitis and sever depression. Pellagra had been well known in Southern Europe, where it was commonly attributed to mouldy and therefore toxic corn being eaten by peasants whose resistance was weakened by a lack of meat and milk in their diet.

USDA specialists were unable to find evidence of unusual molds in the corn being eaten in the South. Finally Joseph Goldberger and his colleagues in the Public Health Service showed that the condition was the result of a nutritional deficiency rather than an infection.

I believe that the outbreak on an almost epidemic scale can now be traced to the milling industry introducing in 1905 machinery that removed the germ from corn grains prior to their being ground to cornmeal. There were two advantages: (1) the meal was no longer subject to rancidity because most of the oil was removed; and (2) the industry had a concentrated source of corn oil. However, we find, by analysis, that more than one-half of the niacin activity (i.e., the anti-pellagra vitamin) is lost when the germ is removed. The change in processing seems just to have tipped the balance of the diets eaten by many poor families in the South -- particularly for the women, who

gave most of the available meat to their husbands and the milk to their children. So here are two real-life examples where many tens of thousands of U.S. citizens suffered and died prematurely and unnecessarily because methods of food processing were changed without their nutritional significance being appreciated.

Atwater had not envisaged there being whole new classes of vitamins and trace element nutrients to be discovered. But it was his philosophy that experiment station work would best be carried out either with or within university departments and his urging that a few projects be selected and thus pursued in depth that were to be responsible for vital contributions in this new field.

E.V. McCollum was an assistant professor at Wisconsin, supported by experiment station funds, when he made his discovery of "Fat-soluble A." At the same time, Thomas Burr Osborne from the New Haven station was collaborating with Lafayette Benedict Mendel from Yale in the first studies of B vitamins. I believe that there was, and is, something special in mixing the feeling of academic freedom on the university side with the long-term responsibility of a government department for both its special constituency and good of the public as a whole. McCollum showed something of the former spirit. His dean told him that he should not be working with rats because visiting farmers on the Board of Trustees would see no interest in keeping vermin well fed. He carried on regardless and in the long run, of course, McCollum's vitamin supplements were one of the vital factors in making intensive animal production possible.

The golden era (for scientists) of successive discoveries of new vitamins and trace elements, in which U.S. scientists then took the lead, lasted until 1950. It then again seemed that "everything had been discovered." That was certainly the opinion of administrators at the University of Oxford who in their wisdom (or folly) closed down their nutrition laboratory at that time. The USDA fortunately was not so short-sighted.

Malnutrition was now seen only as a problem of poverty and the inability to buy a varied diet. For the increasingly affluent majority of the U.S. population, the feeling in the 1950's, and to a lesser extent

in the 1960's, was that it did not really matter what was eaten as long at it was followed with a glass of orange juice and vitamin-mineral pills every morning. In that period a well-wisher of the Harvard Medical School left a legacy that would provide a continual free supply of full-cream milk for students in their lounge so that they would drink milk rather than water, whenever they were thirsty, as a further insurance that their nutrient intake would never be deficient.

But then there began a general re-thinking in the United States as to whether bigger was always better. It was realized that despite superior medical services, the life expectancy of a 5-year-old child in the United States was shorter than that of a 5-year-old child in Panama or most other Second World countries, where the income per person was so much lower. This stimulated all kinds of investigations into our way of life and causes of death in middle age, particularly from heart attacks.

One adverse factor appeared to be that relatively sedentary people in the United States consumed an over-rich diet -- more fat, cholesterol, and total calories, and less fiber -- compared to people in poorer countries. In other words, the affluent U.S. diet was excellent for raising children, and for supporting good physique in early adult life, but then there was a price to pay for the "over-fifties." And we want the marriage between health and agriculture to continue into the "golden years" (so called).

Epidemiological studies began to show that certain kinds of cancer were also less prevalent among those in the United States who ate more vegetables. Some people concluded that the benefit came from the fiber in the vegetables, and recommended a spoonful of wheat bran as an alternative. Then, a few years later, it was urged that it must be the vitamin A in the vegetables, and that we could get even more of it from vitamin pills. Now it seems more likely that it is the anti-oxidants in vegetables that are the important factors. One of these is carotene, which is a nutrient in the sense of being convertible to vitamin A, but other anti-oxidants are not.

This brings home the point that foods are not just composed of nutrients, but also contain large amounts of other chemicals that are

absorbed into our bloodstream and can then affect our bodies for good or ill. Here are two examples from work done by a colleague. First, the group of polycyclic compounds formed when meat is heavily barbecued can be carcinogenic for animals if given at high levels. Second, the aromatic iso-thiocyanates found in cruciferous vegetables (like broccoli) have been shown, in some circumstances, to suppress the progress of carcinogenesis, probably by modifying the activities of enzymes involved in carcinogen metabolism.

Good research in this important area obviously requires collaboration between many different specialists, including chemists and pathologists, and it is really only just beginning. In some instances, as with the polyunsaturated fatty acids, the results so far have been inconsistent and even apparently contradictory.

The composition of the public's diet can be modified in two ways: (1) by persuading them to make healthful choices; and (2) by improving the composition of existing foods. This can be done by using high technology, e.g., by varying the techniques for manufacturing margarine or breeding soybeans with oil of a different fatty acid profile. On the other hand, millers and bakers can very easily produce more whole wheat bread and less white, and dairy producers can produce more low-fat and less full-cream milk. But in a free country, production has to meet demand.

The public is interested in better nutrition, but is confused to some extent by even official recommendations changing over time and by cranks pushing their novelties. Although the public now sees nutrition as an extremely important area for investigation, the subject does not have a comparable status in the university world, the academia, perhaps because it is associated in academics' minds with the vocational training of home economists and dietitians rather than with frontline research. Molecular biology is so much more prestigious that it is natural for a new generation of nutritional scientists to be attracted to using its techniques to study the detailed metabolism of nutrients with the body. This work is so all-absorbing that it leaves those doing it with no time for the study of actual foods.

I believe that those in a position to organize and administer research should encourage the formation (or maintenance) of scientific groups who can do long-term work in the composition of foods and study the biological effects of their components. They should be made up of people trained in different disciplines but between them be able to look at problems from different sides and give responsible advice to both the public and to those concerned with food production. Interdisciplinary research can be encouraged by funds being designated specifically for such work. It is firmly discouraged by a policy that gives only the senior author credit for a published piece of research when promotions are being considered. An apparently small matter of that kind can have disproportionate consequences.

This is not an easy field. There are repeated questions of how to design meaningful studies with small animals and then how to extrapolate the results to the complex real-life situations of human societies. How do we put a new funding into perspective with general experience and what is already known, and at what point issue public warnings or advice? It requires uninhibited dives into the unknown on the one hand, and a deep sense of responsibility on the other. The universities and CSRS have shown over a long period that they can work together in such "difficult" areas. I believe that they will continue to do so in strengthening even further the contribution of agriculture to health.

An Address By

Richard Rominger, Deputy Secretary
U.S. Department of Agriculture

Before The

Council for Agriculture, Research, Extension, and Training
(CARET)

It is a real pleasure to be back here with CARET. As you know, I have spent quite a bit of time here in the last few years, and I've missed seeing you as regularly as I did before. Throughout my life I've worn a number of different hats, but I think I can say that it really felt good to wear the hat of this council. Probably my sense of accomplishment was almost as good as when I was wearing the hat of a farmer. So, I'm really pleased to be here again.

Over the last several months I've talked to a number of science and research organizations and councils, so a few of you here today may have heard some of the things that I am going to talk about. I want to talk a little bit more about reorganization and reinforce some of the things that Leodrey said a little while ago. But before I begin, I think you might be upset if I don't say a few words about one of the things that I have been preoccupied with for the last number of days and will be until next Wednesday, and that's NAFTA.

I believe strongly that this trade agreement will cultivate tremendous prosperity and encourage growth in all of our endeavors, including science and education. I'm told that by the time NAFTA is fully implemented in 2010, Mexico will have a trillion dollar economy, about double the current economy of Canada. So this agreement will help Mexico accomplish that dream, and at the same time it will give us unrestricted access to that market. It's a potential gold mine for research and development. It's an industrialist's dream. It's an entrepreneur's vision. It's a salesman's paradise. And it's the largest free market in the world. So that impresses me. I think it awes the

economists, and I think it scares some of our competitors on some of the other continents.

But what scares me is the possibility that Congress may reject this incredible opportunity. What does a rejection tell Mexico, Latin America, and the rest of the Third World? We all know that 80 percent of the world's population lives in Third World countries. If we help them develop, they'll buy our goods. If we don't, their economies will implode and eventually swirl our economy down the tubes along with theirs. I think that's the sucking sound -- the one that Perot doesn't talk about.

We simply cannot afford to abrogate our leadership in encouraging international economic growth. For 50 years we have led the way, so it's really hard to believe that we're threatening to pull out now when we're practically at the end of the rainbow.

As we expand our trade opportunities with agreements like NAFTA, everything else will have to keep pace. That means scientists, researchers, and educators will have to remain on the cutting edge if we hope to be competitive. The frontiers of science change quickly, but some things remain the same. We've unlocked the mysteries of DNA and discovered quarks and quasars, but just like Copernicus, we still have to deal with politics.

Adapting to this world may be uncomfortable, but the bottom line is that you have to be good at sales, and so my plea to you today is to help us. You need to tell the public and Congress what you're thinking.

Now let me tell you a little bit about the reorganization at USDA. The same day that the President and the Vice President announced the results of the National Performance Review, Secretary Espy announced our plans to reinvent USDA. The USDA is going to be along six mission lines -- streamlined, revitalized, and united. And each of those six missions offers a substantial challenge, a substantial opportunity for agricultural research and education.

Everyone knows that our main mission at USDA is to serve farmers. One of the most important ways we do that is to improve farm income. I know that the new Undersecretary for Farm and International Trade Services, Gene Moose, considers agricultural research an absolute necessity in developing new ideas, products, and markets. This same Undersecretary will help farmers meet the fierce competition of the international market. More and more research will be directed to helping our farmers compete abroad by lowering their production costs and by producing products with qualities that are sought after in the marketplace. Well, I guess I've already said enough about NAFTA.

Our second mission, as Leodrey mentioned, is rural development. Rural development means how people in rural America live and how they make a living. A productive and profitable economy in a rural community depends on productive and profitable businesses in that community. So agricultural research contributes to rural development every time it helps farmers increase their production and efficiency. The price a farmer receives for crops generally doesn't keep up with inflation, so the only way to stay in business is to know how to plant better crop varieties or to use more efficient machinery, or to cut the cost of inputs per acre. Furthermore, people will stay in rural communities if there are jobs for them there. Research is certainly way out front in looking at by-product industries related to production agriculture.

Let me cite a specific example of success. It's just one example; there are many. A few years ago a little business with a handful of employees, the Central Illinois Manufacturing Company, was facing difficulties. But today, thanks to a new product line based on ARS Corn Starch research, they have a new lease on life. Today the company uses Super Slurper, which is a starch-based absorbent made from corn that absorb 1,400 times its weight in moisture. They use it to make filters to remove water from fuel in gas tanks and pumps. They supply jobs for 120 people in the little town of Biment, Illinois, with an estimated payroll of $3 million.

Research can improve not only the economic quality of rural life in places like Biment, but the environmental quality as well for all of us,

wherever we live. So pinpointing conservation as a third USDA mission emphasizes that the environment will continue to be a focal point for agricultural research. The public shares our environmental concerns, and agriculture must get up to speed. Some of us, I think, spent too many years not getting it. I don't need to explain to you the vast contributions to the environment made by research on biocontrol mechanisms, research on reduced use of pesticides and herbicides, research on sustainable agriculture. We need more. We're waiting for more.

Early on in this administration, pesticides got attention. I believe we reached a saturation point in our dependence on chemically-based agricultural production. The latest discoveries in biotechnology are becoming pivotal in advancing an environmentally sensitive agriculture. By developing plants with inbred genetic resistance to insects and diseases, we can reduce that dependency on pesticides.

Well early in July, the three key federal agencies dealing with pesticides, USDA, FDA, and EPA, announced a policy to work with one another, rather than separately as they seem to have done in the past. And we proposed specific statutory direction in Section 28 of FIFRA, which will establish a legal framework for USDA to work closely with EPA so that together we can set research priorities for the development of substitutes to pesticides which have been determined to pose special problems and for which there are few or no other pest management options. This process will insure that we are proactive. We should anticipate and deal with environmental problems to reduce risk and ensure that producers continue to have the pest and disease management tools necessary to profitably raise their crops. I want to make it clear that research, and not only in the pesticide area, definitely includes a prominent place for biotechnology.

Another Assistant Secretary, Dean Plowman, tells me that he's still fighting the same battles over public perception of biotechnology that Charlie Hess and Orville Bentley fought so long and so well. But fear still exists. I think we have to fight that lack of understanding.

Therefore, as we develop the new products of biotechnology we must at the same time educate the public of their value and the process used

to create them. For too long, extremists of the left and the right have tried to pit agriculture against the environment. Sound science is indispensable to solving this false dichotomy and erasing this false choice. We believe that farmers and rural America can prosper while at the same time protecting our natural resources. And research is definitely a tool in making sure that this can happen.

Of course taking care of the environment in which production agriculture occurs also improves food quality and safety, which is our fourth mission. Food safety has been high on Secretary Espy's list since the day he was sworn in. He made the E.coli breakout in Washington State a national rallying cry, and his commitment has not wavered. We are well embarked on a two-track response -- in the short term, more inspectors and closer observation. In the long term, we're turning to our valuable agricultural research partnership for help because we have a strong need right now for better science to help us assure a safe, wholesome food supply at reasonable cost. We know we can't assure zero risk, but improving microbiology to inspect meat and poultry would move us closer to a science-based system. So USDA needs your help. We want America's food supply to be as absolutely safe as we can make it.

And along with food safety, nutrition is an important part of agriculture's contribution to the American diet. Not only must we produce the healthy foods, but we must make sure that they are available to our citizens. Our fifth mission is to feed those in our country who need help. One out of every ten Americans relies on food stamps. Daily, 25 million school children receive a healthful lunch. But again, it's not enough to simply deliver services that provide food, we need nutrition education programs to encourage healthy food choices. More than half of the USDA budget, as you know, is dedicated to these food and nutrition programs.

Well, I suppose I should say that in listing USDA's six missions I've saved the best for last. And that's the research, education, and economics. And as Leodrey said, that does include education. We heard you. Clearly, the sixth mission is a crucial part of our master plan. It will provide essential information to the other five to assist them in carrying out their own mission. In April, we broke ground in

Beltsville, Maryland for a new building to consolidate scientists from three laboratories -- the fruit and vegetable, the floral, and the nursery plants labs to make our work more productive and cost effective and to break down walls to help us communicate better with each other.

To me, our USDA reorganization shows that there are many ways to break ground without picking up a shovel. We can break new ground through innovative research, better communication, stronger partnership, and new dedication to our mission. The reorganization changes will continue USDA's traditional commitment to strong research and education programs. Rolling the four existing science and education agencies into one, we believe, increases their importance. I know some of the skeptics out there are saying, "Yeah, right. We saw that before." Yes, but we think that the change before was barely skin deep, but this change is going to be real. It goes to the very bone and muscle that tackle the problems facing America and its agriculture.

So those are the changes that we propose to make. Some we've already done. Where are we now? The plans I just outlined were introduced to the House of Representatives on September 29, as H.R. 3171. All of the Democrats on the House Agriculture Committee signed on as cosponsors of the legislation. Secretary Espy and some of the rest of us have been up on The Hill many times since then for extensive briefings on both sides of the aisle. The Secretary wants the reorganization to move forward as a package, and to move quickly because down the road we're faced with the budget cuts. That's a fact, and that's not going to change. So our reorganization plan allows us to orderly make those cuts because it gives us a more efficient organization, and it will save some money. If we don't use a scalpel, the alternative will be a hatchet. But we're optimistic that Congress will be supportive.

Just last week, the House Agriculture Committee passed the part of the White House Reinventing Government Initiative, H.R. 3400, which deals with USDA. H.R. 3400 contains the one-sentence statement ordering the Secretary to reorganize USDA and reduce the number of employees by 7,500 and lower expenditures by $1.6 billion. While the White House initiative is certainly not a substitute

for the enactment of the Secretary's detailed plan, its passage symbolizes congressional support for change at USDA.

The reorganization plans I've talked about today show the direction we're taking in this administration. It's fair to say that this administration is science friendly and pragmatic. In an era of tight budgets, advice from groups like this one is more critical if our research is to stay relevant.

So we need you to help government work smarter. The ideal salespeople are those who know the most about the product. You know science. You know the priorities. So you're the ideal activists to educate the public. You know the funding trouble that the Super Collider had in Texas. Well, compared to selling particle physics, selling agricultural research can be quite literally a piece of cake.

Agricultural research is about science the public can see, and feel, and eat. I think Americans overlook agriculture, and we need you to remind people that they like cotton shirts, among other things. So mobilize the groups you represent. Remind the public and the policymakers on all levels that the bridge between the farmers' fields and the dinner table is a suspension bridge, and that the wires that hold that bridge up are research and education. Thank you.

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Elected Heads of the Association
1887-1993

Editor's Note: Until 1979, the elected head of the Association was called the President and the staff director was called the Executive Director. Beginning in 1979, the elected head of the Association is called the Chairman and the staff director is called the President.

An individual serving as Chair-elect serves the following year as Chair.

Chair-elect	Name	Member Institution
1887	George W. Atherton	Pennsylvania State University
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1891	W.L. Broun	Auburn University
1892	W.A. Henry	University of Wisconsin
1893	S.D. Lee	Mississippi State University
1894	M.E. Alvord	Oklahoma State University
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1896	George T. Fairchild	Kansas State University
1897	H.C. White	University of Georgia
1898	H.P. Armsby	Pennsylvania State University
1899	H.E. Stubbs	University of Nevada
1900	A.W. Harrisa	University of Maine
1901	W.M. Ligget	University of Minnesota
1902	J.K. Patterson	University of Kentucky
1903	W.O. Thompson	Ohio State University
1904	E.B. Voohees	Rutgers, The State University of New Jersey
1905	M.J. Buckham	University of Vermont
1906	L.H. Bailey	Cornell University
1907	J.L. Snyder	Michigan State University
1908	M.A. Scovell	University of Kentucky
1909	W.J. Kerr	Oregon State University
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1911	W.E. Stone	Purdue University
1912	E.H. Jenkins	Connecticut Agricultural Experiment Station
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1915	C.E. Thorne	Ohio State University
1916	K.L. Butterfield	University of Massachusetts
1917	Eugene Davenport	University of Illinois
1918	C.A. Lory	Colorado State University
1919	Samuel Avery	University of Nebraska
1920	H.L. Russell	University of Wisconsin
1921	T.D. Boyd	Louisiana State University
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1924	A.F. Woods	University of Maryland
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1974	Ernest L. Boyer	State University of New York System
1975	Daniel G. Aldrich, Jr.	University of California, Irvine
1976	Harry M. Philpott	Auburn University
1977	Glenn Terrell, Jr.	Washington State University
1978	Edwin Young	University of Wisconsin
1979	A.R. Chamberlain	Colorado State University

1980	Harold Enarson	Ohio State University
1981	Clifton R. Wharton, Jr.	State University of New York System
1982	Robert Q. Marston	University of Florida
1983	Edward J. Bloustein	Rutgers, The State University of New Jersey
1984	C. Peter Magrath	University of Minnesota
1985	I.M. Heyman	University of California, Berkeley
1986	John DiBiaggio	Michigan State University
1987	Stanley O. Ikenberry	University of Illinois
1988	Chase N. Peterson	University of Utah
1989	Robert M. O'Neil	University of Virginia
1990	Donald N. Langenberg	University of Maryland System
1991	Lattie F. Coor	Arizona State University
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1993	Frederick S. Humphries	Florida A&M University

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Pennsylvania State University*
Temple University
University of Pittsburgh

PUERTO RICO

University of Puerto Rico*

RHODE ISLAND

University of Rhode Island*

SOUTH CAROLINA

Clemson University*
South Carolina State College*
University of South Carolina

SOUTH DAKOTA

South Dakota State University*
University of South Dakota

TENNESSEE

Memphis State University
Tennessee State University*
University of Tennessee*
University of Tennessee, Knoxville

TEXAS

Prairie View A&M University*
Texas A&M University System
Texas A&M University*
Texas Tech University
University of Houston System
University of Houston
University of North Texas
University of Texas System
University of Texas, Austin
University of Texas at San Antonio

UTAH

University of Utah
Utah State University*

VERMONT

University of Vermont*

VIRGIN ISLANDS

University of the Virgin Islands*

VIRGINIA

University of Virginia
Virginia Commonwealth University
Virginia Polytechnic Institute & State University*
Virginia State University*

WASHINGTON

University of Washington
Washington State University*

WEST VIRGINIA

West Virginia University*

WISCONSIN

University of Wisconsin System
University of Wisconsin-Madison*
University of Wisconsin-Milwaukee

WYOMING

University of Wyoming*

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* Indicates land-grant institution

Bylaws

of the

National Association of State Universities and Land-Grant Colleges

Article I -- Principal Office and Registered Agent

A. The principal office of the National Association of State Universities and Land-Grant Colleges, a nonprofit corporation incorporated under the laws of the District of Columbia (hereinafter the "Association"), shall be in the District of Columbia.

B. The Association may have such other office or offices at such suitable place or places within or without the District of Columbia as may be designated from time to time by the Association's Board of Directors.

C. The Association shall have and continuously maintain a registered office in the District of Columbia and the Association's President shall appoint and continuously maintain in service a registered agent who shall be an individual resident of the District of Columbia or a corporation, whether for profit or not for profit.

Article II -- Purposes

The Association is organized and is to be operated exclusively for charitable and educational purposes within the meaning of Sections 501(c)(3) and 170(c)(2)(B) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States internal revenue law). The purposes of the Association are as set forth in the Articles of Incorporation.

No part of the net earnings of the Association shall inure to the benefit of or be distributed to the members of its Board of Directors, Assembly, officers, members, any private individuals, or any organizations organized and operating for profit, except that the Association shall

be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distribution in furtherance of its purposes as set forth in Article II, hereof.

No substantial part of the activities of the Association shall be the carrying on of propaganda or otherwise attempting to influence legislation. The Association shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any provision in these Bylaws or in the Association's Articles of Incorporation, the Association shall not carry on any activities not permitted to be carried on:

(a) By an organization exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986 as an organization described in Section 501(c)(3) of such Code (or the corresponding provisions of any future United States internal revenue law),

(b) By an organization described in Sections 509(a)(1), (2), or (3) of the Internal Revenue Code of 1986 (or corresponding provisions of any future United States internal revenue law), and

(c) By an organization described in Sections 170(c)(2), 2055(a)(2), or 2522(a)(2) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States internal revenue law).

Article III -- Membership

A. Membership Classification.

The Association shall have one class of members. Members shall not have the right to vote, except as part of their membership on Association Boards, Commissions, Committees and Councils described below. All members of the Association shall consist of institutions of higher education, each of which qualifies under Section 115(a) of the Internal Revenue Code of 1986, or is exempt from Federal income taxation under Section 501(a) of such Code as an organization described in Section 501(c)(3) of such Code, and is an organization described in

Section 509(a)(1), (2), or (3) of such Code (or the corresponding provisions of any future United States internal revenue law), and which meet the following additional criteria:

1. All members of the American Association of Land-Grant Colleges and State Universities as of November, 1960 shall be and continue to be eligible for membership in the Association, subject to payment of annual dues, regardless of any other provisions hereof, other than the foregoing provision of this Article III.

2. The membership of the Association may also include:

(a) All universities in the states and territories of the United States which are founded wholly or in part upon those grants of land made by Congress to the states upon their admission to the Union, which grants are commonly known as seminary or university grants;

(b) Every college or university established under the Land-Grant Act, approved by the United States Congress on July 2, 1862, or receiving the benefits of the Second Morrill Act, approved by the United States Congress on August 30, 1890, as amended and supplemented;

(c) Any member as of July 1, 1963, of the National Association of State Universities, not otherwise eligible for membership;

(d) Separately governed state universities and universities which are part of a multi-campus state system, which meet the following criteria:

(1) The institution has substantial state responsibilities in instruction, research, and extension.

(2) The institution's instructional program includes a substantial and diversified complex of programs leading to the Ph.D. degree and to post-baccalaureate professional degrees conferred by the faculty of that campus.

(3) Research is a substantial purpose and budget of the institution and is recognized substantially in the institution's criteria for faculty appointment and advancement.

(4) Extension and public service are in fact a substantial commitment of the institution beyond the immediate community in which the institution is situated and/or are over and above the offering of evening classes and lectures and the like.

(5) When the institution is a part of a multi-campus university system, membership must be recommended by the officer holding executive responsibility over the existing member institutions in the system; and

(e) An office of a multi-campus university system which in fact exercises executive responsibility over one or more institutional members of the Association.

3. Dual Members. Upon petition to the Association, an institution which is already a member of the American Association of State Colleges and Universities (AASCU) may also become a member of the Association, provided that the institution maintains its American Association of State Colleges and Universities membership status and also meets one of the following categories as defined by the Carnegie Foundation for the Advancement of Teaching in its most recent classification of colleges and universities.

(a) Doctorate-Granting Universities II
(b) Comprehensive Universities and Colleges I
(c) Comprehensive Universities and Colleges II
(d) Liberal Arts Colleges I
(e) Liberal Arts Colleges II

4. Non-Member Affiliates. The Association may also admit to membership such other non-member affiliate institutions having a common purpose as the Board of Directors may elect.

B. Election to Membership. Membership shall be granted upon the approval of two-thirds of a quorum of the Board of Directors.

C. Revocation or Termination of Membership. Any member of the Association may have such membership revoked or terminated by affirmative vote of two-thirds of a quorum of the Association's Board of Directors, whenever in the Board of Directors' judgment it is in the best interest of the Association. Termination of membership is automatic whenever such member loses eligibility for such membership under the criteria as stated in Article III A, hereof.

D. Reinstatement. Any member of the Association, the membership of which has been revoked or terminated under Article III C, hereof, may be reinstated to membership by action of the Board of Directors.

Article IV -- Meetings of Members

A. Annual Meeting. An annual convention of the membership of the Association shall be held at a time, day and place decided by the President, for the purpose of transacting any and all business that may be brought before the meeting.

B. Notice of Meeting. Written or printed notice, stating the time, day and place of the annual meeting, shall be delivered to all members not less than ten (10) days prior to the date of the meeting.

Article V -- Operating Rules and Structure

The general structure of the Association shall be as set forth in Article VI through X below. However, because of the complexity of the Association's structure and operating procedures, the Board of Directors is hereby authorized to create a document to be known as the Association's Rules of Organization and Structure (hereinafter "Rules or Organization"), which shall set forth in more detail the structure of the Association and composition of its sub-organizations. Said Rules of Organization may be amended at any general or special meeting of the Board of Directors by resolution of a majority vote of a quorum present.

Article VI -- The Assembly

A. General. There shall be an Assembly of the Association, which shall have the responsibility of bringing issues to the attention of the Board of Directors, to receive reports from the Commissions and their sub-units, to make policy recommendations to the Board of Directors, and to perform such other functions as the Board may from time to time direct.

B. Membership. The membership of the Assembly shall consist of (1) all members of the Board of Directors of the Association, and (2) up to ten representatives from each of the Commissions, to be selected by each Commission. Each member of the Assembly shall serve a term of three years.

C. Meetings. The Assembly shall meet at least once each year at the annual meeting of the Association. Special meetings may be held at the call of the Association Chair.

Article VII -- Board of Directors

A. Powers and Duties. The Board of Directors shall have all the powers and authority necessary to carry out the purposes and functions of the Association and all of the powers to perform all of the duties commonly incident to and vested in the Board of Directors of a corporation. No unit of the Association other than the Board of Directors is authorized to take action in the name of the Association on broad policy or legislative matters.

B. Election/Term. The members of the Board of Directors shall be selected as described in paragraph C below. Except for elected officers and the Chair of the Council of Presidents, no individual may serve for more than three consecutive years on the Board of Directors.

C. Membership/Qualifications. The Board of Directors of the Association shall be composed of:

1. The Chair of the Association, the Chair-Elect of the Association, and the Past Chair of the Association, each elected by the Board of Directors for a one-year term.

2. Six Chief Executive Officer Representatives, each elected by the Board of Directors for a three-year term.

3. One Council Representative elected by each of the Councils for a three-year term.

4. One Commission Representative elected by each of the Commissions for a three-year term.

The qualifications of Council and Commission Representatives shall be as set forth in the Association's Rules of Organization. Except for the Chair, Chair-Elect, Past Chair, and Chair of the Council of Presidents, as members of the Board of Directors, no more than one individual from a member institution shall hold membership on the Board of Directors at any one time.

D. Meetings. A regular annual meeting of the Board of Directors shall be held at least once each year. Other special meetings may be held on call by the Chair or by written request of a majority of the members of the Board of Directors.

E. Notice. Written or printed notice, stating the time, day and place of each meeting, shall be delivered to each member of the Board of Directors at least ten (10) days prior to the day of each meeting.

F. Quorum; Voting. A majority of the Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that in no event shall a quorum consist of less than one-third of the Directors. Except as otherwise expressly required by law, the Articles of Incorporation, or these Bylaws, the affirmative vote of a majority of the Directors present at any meeting of the Board of Directors at which a quorum is present shall be the action of the Board of Directors. Each Director shall have one vote. Voting by proxy is not allowed.

G. Written Consent. Action taken by the Board of Directors without a meeting is nevertheless Board of Directors action if written consent to the action in question is signed by all of the Directors and filed with the minutes of the proceedings of the Board of Directors, whether done before or after the action so taken.

H. Resignation. Any Director may resign at any time by giving written notice to the President of the Association. Vacancies on the board shall be filled in accordance with paragraph C above as soon as practical.

I. Removal. Any Director may be removed from office by a majority vote of the Directors at any regular or special meeting of the Board of Directors at which a quorum is present, for (1) violation of these Bylaws or (2) engaging in any other conduct prejudicial to the best interests of the Association. The Director involved shall be provided ten days notice of the charges against him or her and an opportunity to respond in person or in writing as the Board of Directors may determine. In these regards, the Board of Directors shall act on the basis of reasonable and consistent criteria, always with the objective of advancing the best interests of the Association.

J. Steering Committee. There shall be a Steering Committee of the Board of Directors of the Association.

1. Membership. The Steering Committee shall be composed of the Association's Chair, Chair-Elect and Past Chair, plus the six presidents/chancellors' representatives. The Chair of the Board of Directors shall serve as Chair of the Steering Committee.

2. Responsibilities. The Steering Committee will be responsible for setting the agenda for Board of Directors' meetings, for dealing with the internal administration of the Association, for oversight and review responsibility for Association positions on public policy issues affecting the interests and welfare of the membership, and for such other matters as may be set forth in the Rules of Organization.

3. Meetings. The Steering Committee shall meet at the request of the Chair or at the request of a majority of the members.

Meeting notices generally shall be delivered to members at least ten (10) days prior to the convening of a meeting, but this provision may be waived by all members of the Committee to accommodate discussion of situations of a compelling nature.

Article VIII -- Officers

A. Enumeration of Officers. The officers of the Association shall consist of a President, a Chair, who shall also serve as Chair of the Board of Directors and Chair of the Steering Committee, a Chair-Elect, a Past Chair, a Secretary, and a Treasurer, and may include such other officers as may be deemed necessary.

B. Officeholder Combinations. Any two or more offices of the Association may be held by the same person, except the offices of President and Secretary.

C. Term of Office. The officers of the Association shall be elected by the Board of Directors as described below and shall be installed at the annual meeting at which they are elected. Officers shall hold office for one year or until their respective successors shall have been duly elected and qualified.

D. Nomination of Chair-Elect. A candidate for Chair-Elect, who shall become Chair of the Association at the annual meeting following his/her election as Chair-Elect, shall be nominated by a committee consisting of such members as the Board of Directors may determine.

E. Election of Chair-Elect. The Chair-Elect shall be elected for a period of one year by a majority vote of the Board of Directors during the annual meeting of the Association. He/she shall assume office at the close of the meeting in which he/she is elected and shall serve until the following annual meeting of the Association, at which time he/she shall assume office as Chair of the Association.

F. Duties of the Chair. The Chair of the Association shall have all powers and shall perform all duties commonly incident to and vested in the office of the chairman of a corporation, including but not limited to being the chief executive officer of the Association. The Chair shall also

preside at the general meetings of the Association and the Steering Committee.

G. Duties of the Chair-Elect. The Chair-Elect shall serve as a member of the Board of Directors of the Association and shall become familiar with the work of the Association.

H. Duties of the Past Chair. The Past Chair shall serve as a member of the Board of Directors.

I. Duties of the Secretary. The Secretary of the Association shall have all powers and shall perform all duties commonly incident to and vested in the office of secretary of a corporation, including attending all meetings of the Board of Directors and the Assembly, being responsible for keeping the books and preparing the annual reports of the Association, and distributing true minutes of the proceedings of all such meetings.

J. Duties of the Treasurer. The Treasurer of the Association shall have all powers and shall perform all duties commonly incident to and vested in the office of treasurer of a corporation, including collecting dues, dispensing funds, and having the accounts of the Association audited annually.

K. President and Staff

1. President. The President of the Association shall be employed on an annual basis for full-time service by the Board of Directors. The President shall perform such duties as the Board of Directors may direct, and shall also administer the national headquarters of the Association, which shall be in Washington, D.C.

2. Staff. Staff members, who shall have employment at will, shall be employed/dismissed by the President consistent with the Association personnel policies and the annual budget adopted by the Board of Directors. Members of the staff of the Association shall be given such titles and perform such duties as may be assigned by the President.

L. Resignation. Any officer may resign at any time by giving written notice to the President of the Association.

M. Removal. Any officer may be removed by the Board of Directors at any regular or special meeting of the Board of Directors at which a quorum is present, whenever in its judgment the best interests of the Association would be served thereby. The President may be removed as specified in his or her employment contract. Vacancies shall be filled as soon as practical.

N. Compensation. The Association may pay compensation in reasonable amounts to officers for services rendered, such amounts to be determined by a majority of the entire Board of Directors.

Article IX -- Councils

A. Creation of Councils. The Board of Directors may authorize the creation of one or more Councils of the Association, empowered to make recommendations to the Board of Directors in their respective fields and to perform such other functions as the Board of Directors may from time to time determine. The composition, powers and duties of each Council shall be as set forth in the Association's Rules of Operation. The creation or discontinuation of a Council shall be by a majority of a quorum present vote of the members of the Association's Board of Directors.

B. Representation in the Assembly and on the Association Board of Directors. Each Council shall be entitled to representation in the Assembly by its representative on the Board of Directors.

Article X -- Commissions

A. Creation of Commissions. The Board may authorize the creation of one or more Commissions of the Association, empowered to maintain oversight over broad issue areas of vital and/or unique interest to the Association members, to develop policy positions and programs within their purview, to communicate with relevant constituencies, and to perform such other functions as the Board of Directors may from time to time determine. The composition, powers and duties of each Commis-

sion shall be as set forth in the Association's Rules of Operation. The creation or discontinuation of a Commission shall be by majority vote of a quorum of the Board of Directors.

B. Representation in the Assembly and on the Association Board of Directors. Each Commission shall be entitled to representation in the Assembly by up to ten representatives selected by the Commission. Each Commission also shall be represented on the Board of Directors by a president/chancellor elected by the Commission. Such selection to membership in the Assembly and designation as representatives on the Board of Directors shall be for such terms as set forth in the Association's Rules of Operation.

Article XI -- Miscellaneous Provisions

Section 1. Fiscal Year. The fiscal year of the Association shall commence on January 1 and terminate on December 31.

Section 2. Notice. Whenever under the provisions of these Bylaws, the Articles of Incorporation of the Association or statute, notice is required to be given to a director, committee member, or officer, such notice shall generally be given in writing by first-class, certified, or registered mail, but may be given by any other reasonable means available. Written notice shall be deemed to have been given when deposited in the United States mail or delivered to the express delivery service. Other methods of notice such as telephone, electronic mail, or facsimile, will be deemed given when received.

Article XII -- Indemnification

To the extent permitted by applicable law, the Association shall indemnify any present or former director or officer for the defense of any civil, criminal or administrative claim, action, suit or proceeding to which he or she is made a party by reason of being or having been an officer or director and having acted within the scope of his or her official duties; subject to the limitation that there shall be no indemnification in relation to matters to which the individual shall be adjudged guilty of a criminal offense or liable to the Association for damages arising out of his or her own negligence or misconduct in the performance of duties. Further-

more, in no case shall the Association indemnify or insure any person for any taxes imposed on such individual under chapter 42 of the Internal Revenue Code of 1986, nor shall payment by made under this Article if such payment would constitute an act of self-dealing or a taxable expenditure under sections 4941(d) or 4945(d), respectively, of the Code.

Amounts paid by the Association in indemnification of its directors and officers may include all judgments, fines, amounts paid in settlement, attorneys' fees and other reasonable expenses actually and necessarily incurred as a result of such proceeding or any appeal therein. The Board of Directors also may authorize the purchase of insurance on behalf of any director, officer, employee or agent against any liability asserted against him or her which arises out of such person's status or actions on behalf of the Association, whether or not the Association would have the power to indemnify the persons against that liability under law.

Article XIII -- Dissolution or Final Liquidation

Upon any dissolution or final liquidation, the Board of Directors of the Association shall, after paying or making provision for the payment of all the lawful debts and liabilities of the Association, distribute all of the assets of the Association to one or more of the following categories of recipients as the Board of Directors shall determine:

(a) A nonprofit organization or organizations which may have been created to succeed the Association, as long as such organization or organizations are organizations (1) the income of which is excluded from gross income under Section 115(a) of the Internal Revenue Code of 1986 or (2) exempt from federal income tax under Section 501(a) of such Code as an organization described in Section 501(c)(3) of such Code (or the corresponding provisions of any future United States internal revenue law); and/or

(b) A nonprofit organization or organizations having similar aims and objectives as the Association and which may be selected as an appropriate recipient of such assets, as long as such organization or each such organizations are organizations (1) the income of which is excluded from gross income under Section 115(a) of the Internal Revenue Code of

1986 or (2) exempt from federal income tax under Section 501(a) of such Code as an organization described in Section 501(c)(3) of such Code (or the corresponding provisions of any future United States internal revenue law).

Article XIV -- Amendments

These Bylaws may be amended by two-thirds vote of the Board of Directors at any regular or special meeting of the Board of Directors. An amendment shall be effective immediately after adoption, unless a later effective date is specifically adopted at the time the amendment is enacted.